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#### World news

### **Sprinkel** to chair economic council

Beryl Sprinkel, the U.S. Treasury Undersecretary for Monetary Af-fairs, was named as chairman of President Ronald Reagan's Council of Economic Advisers.

council since last July when Martin Feldstein left the post after stirring political unrest by strongly advocating a cut in the federal budget defi-

Dr Sprinkel has recently become a less vocal advocate of his personal economic views and is seen as a loyal Reagan team player. Page 18

#### Union loses ailles

Britain's National Union of Mineworkers will fight on in the 50th week of its strike, but it bas lost allies in the Trades Union Congress. Page 18; Background, Page 6

#### Vatican strike

The union representing lay Vatican employees has called the first official strike in the history of the Vatican for next Tuesday unless demands over pay and other issues

#### Indian gun battle

Police in the western Indian state of Rajasthan shot dead a former maharaja, Man Singh, when he opened fire to avoid arrest on a

charge of attempted murder.

#### Dock strikes

France's biggest dockers' union called a strike, blocking more than 40 ships at ports around the country, while in Spain the port of El Ferrol was paralysed by a national strike supported by an estimated 600,000 workers.

#### Pakistan arrests

#### Nigerian jailed

Olawale Idris, a former Nigerian state Commissioner of Education, was sentenced to life in prison for corruption involving over 13m Nai-

#### Death toll rises

Eighteen people were said to have been killed in fighting at the Crossroads squatters' township outside Cape Town, after renewed violence in black townships across South Africa. Page 3

#### Whites expelled

France decided to expel five white residents of New Caledonia who are accused of fermenting disorder on the politically troubled Pacific territory. Page 2

#### **UN** aid appeal

The United Nations appealed for \$1.5bn of immediate additional funds to help relief operations in 20 drought-stricken African countries.

#### Lebanese killed

Three suspected Shia Moslem guerrillas were killed and houses destroyed in Southern Lebanon as Israch troops continued punitive raids on Moslem villages. Page 3

#### Briefly . . .

Clarence Nash, who provided the 30.7m tons in the fourth-quarter of voice for cartoon character Donald 1984, down from 31.4m the previous Duck, died of leukemia in Los An-

geles, aged 80. President Miguel de la Madrid of Mexico is to pay a state visit to Britain from June 11 to 14.

Cardinal Josef Glemp Polish primate, started a 10-day pastoral tour

#### Business summary

No. 29,557

### **Plessey** suffers drop in quarter

PLESSEY, British telecommunications and electronics group, suf-fered a drop in third-quarter earn-ings to £40.57m (\$43.8m) against £43.67m in the 1983 quarter. The The appointment removed uncer-tainty which has bung over the back in its telecommunications company blamed the result on a setbusiness. Page 28; Lex, Page 18

WALL STREET: The Dow Jones industrial average closed down 4.09 at 1,279.04. Section III

DOLLAR rose to record levels in London, closing at DM 3.356 (DM 3.336), SwFr 2.827 (SwFr 2.8215), Y261.6 (Y261.3). On Bank of England figures the dollar's exchange index was at an all-time high of 153.3 from 152.7. In New York it was DM 3.3565, FFr 10.2625, SwFr 2.8280 and Y261.45. Page 41

STERLING fell 40 points in London to a record closing low against the dollar of \$1.012. The pound also fell to SwFr 3.0625 (SwFr 3.065) and Y283.25 (Y283.75), but improved to DM 3.6325 (DM 3.62) and FFr 11.11 (FFr 11.07). Exchange rate index closed at 71.7 up from 71.5 previous-ly. In New York it was \$1.0850.

GOLD lost \$3.50 on the London bullion market to close at \$299.75. It was also lower in Zurich at \$300.35. In New York the Comex April settlement was \$301.10. Page 40

TOKYO stocks fell back after a strong early advance and the Nik-kei Dow market average closed 23,91 lower at 12,128.46. Section III LONDON shares edged ahead with the FT Ordinary index up 3.6 at 984.9. Government stocks were little changed. Section III

EUROPEAN bourses continued their record-breaking run with fur-their peaks, in Amsterdam, Paris, Zurich and Vienna, Section HI

TURKEY completed the assembly Pakistan's police detained more than 800 people to stop disruption during. Mionday's general elections and provincial polis three days lat-

> \$2.2bn. to a seasonally adjusted \$567.4bn in the week ended Febru-EURODOLIAR bond market was

> even gloomier as prices fell of both fixed-rate and floating issues. Page 46

DANSKE BANK lifted full-year net earnings to DKr 467m (\$39.3m) from DKr 153m a year earlier. The bank proposed an unchanged 15 per cent dividend. Page 19

CREDIT SUISSE, the Swiss bank, is to propose a dividend increase after a 19 per cent improvement in

SwFr 417m (\$148m). Page 20 LO VAN WACHEM was appointed chairman of the joint committee of Royal Dutch/Shell Group after the

retirement of Sir Peter Baxendell. TIME, the leading U.S. magazine publisher, is to buy privately held Southern Progress for \$430m. com-

prising \$385m cash and the balance cash, cash equivalents and certain current assets. GREYHOUND, which operates the

leading U.S. bus system, has contracted to buy the consumer products of Purex Industries for \$264m. subject to anti-trust procedures.

CANADA'S Bank of Montreal, Bank of Nova Scotia and Toronto Dominion Bank, have raised their prime lending rates to 11.5 per cent. SHIPS under construction and on

order in world shipyards fell to 30.7m tons in the fourth-quarter of quarter, Lloyd's Register of Ship-

PKBANKEN, the state-owned stantial additional cut must be made in government spending, over Swedish commercial bank, announced a 14 per cent decline in op-erating results to SKr 1.09bn (\$118m) for last year. It expects imthe budget cuts of about \$1.3bn already approved by the Cabinet in proved results this year. Page 20

Japanese model of the new breed of small companies exploring the frontiers of high technology, is engaged in talks with Toshiba, the major electronics group, over what was described in Tokyo yesterday as a technical and business tie-up.

Neither company would give details of the proposed collaboration.

tails of the proposed collaboration, but sources said that it could entail stment by Toshiba equivalent to more than a third of Sord's existing capital of Y2.6bn (\$10.5m), as well as joint technological and marketing operations.

The talks appear to indicate that the troubles afflicting the personal computer market in the West, most

come to roost in Japan.

Olivetti, the Italian electronics and office products group, announced on Wednesday that it was paying £10.4m (\$11.3m) for a 49.3 per cent stake in Acorn, which had been hit by a cash-flow crisis and a sharp fall in confidence. Sinclair, meanwhile, announced a temporary halt of deliveries of its Spectrum and OL models from some suppliers while it rescheduled and reduced

Sord, which is privately owned, was known until recently as the Securities, Sord's underwriter, de-"Japanese Apple." It enjoyed spec- tlined all comment on this and any

SORD COMPUTER, a pioneering recently illustrated by the plight of tacular growth for more than a dec-Japanese model of the new breed of Acorn and Sinclair in Britain, have ade after its founding in 1970.

The future of Sord's distinctive management, under its founder and president. Mr Takayoshi Shiina, was unclear yesterday. Another Sord official said that Mr Shiina was conducting negotiations "per-sonally" and had not divulged his moves even to his senior staff. About a month ago, there had been market rumours of talks be-tween Sort and another electronics

tween Sord and another electronics giant, Sanyo. Some industry analysts yesterday did not rule Sanyo, or possibly another prominent com-pany, out of the running. Nomura Securities, Sord's underwriter, de-

Japan's ailing pacesetter Sord Computer seeks a partner

BY JUREK MARTIN, FAR EAST EDITOR, IN TOKYO

it was widely emphasised that Sord had not yet encountered prob-lems paying its bills and had not laid off any of its 750 employees. But its prospects in the personal computer market in Japan and overseas - from which it has derived 65 per cent of its revenues and in which it once held nearly a 20 per

cent share of domestic sales - have become increasingly bleak in the face of intense competition and price-cutting from much larger companies, such as IBM, NEC, Fu-jitsu, Ricob, Casio and Apple, which is using Canon Camera as its Japa-nese sales agent and which yester-

other aspect of the company's fu- day signed up two more distribu- Y5,000 but that the owner had found

The first signs of Sord's difficulties surfaced last year when it was twice obliged to drop plans to go public with a Y15bn offering. In 1983, two private placements had increased Sord's capital from V130m to Y2.50m as it geared up to meet what it felt was an impending further explosion in demand for its

These private issues had attracted a good deal of foreign venture capital interest and at one stage a share was estimated to be worth Y70,000. One broker said yesterday he knew of a recent case when the same share had been valued at

**New Brussels** 

bid to avert

no buyers even at that price. Sord's problems today are a far cry from the heady, expansionary days when it consciously portrayed itself as a Japanese Apple. It even called its new computer language Pips, while its manufacturing subsidiary in Ireland, set up in December 1980, was initially called Orange Computer (the infelicity, given the

Mr Shiina bimself was widely seen as a breath of fresh air in Japan's generally staid corporate ethos. He was only 28 when be founded Sord and he ran an infor-

Continued on Page 18

### \$ hits new peaks as U.S. lifts estimate of fourth-quarter growth

BY STEWART FLEMING IN WASHINGTON AND PHILIP STEPHENS IN LONDON

mats of economic growth in the fourth quarter of 1984, sending an-other tremor through Wall Street and helping to lift the dollar to new

The Commerce Department said that gross national product (GNP) increased at a real annual rate of 49 per cent in the final three months of last year, well up from the 1.6 per cent rise recorded in the third quarter and the 3.9 per cent increase which it estimated in the preliminary GNP announcement on January 22.

A wave of speculative and commercial buying took the dollar to new heights on the further evidence of the strength of the U.S. economy and expectations of higher dollar interest rates.

The dollar closed in London et a 13-year high of DM 3.356; up 2 pien nigs from Wednesday. If later hit DM 3.38 in New York. The pound fell 0.4 cents to a record low of \$1 0820

In New York it closed at DM 3.3565 (DM 3.3310), FFr 10.2625 (FFr economy, but rather from a revision 10.80), SwFr 2.8280 (SwFr 2.817) and of its judgment on how that de-Y251.45 (Y251.25). The news also hit mand is being satisfied. Wall-Street stock market alread floundering under the impact of congressional testimony on Wednesday from Mr Paul Volcker, Fed-

eral Reserve Board chairman. sunk further to close 4.09 down at

Mr Volcker had disclosed that the Fed had abandoned its policy of try-ing to encourage U.S. interest rates means that more demand was met

THE U.S. Government yesterday to fall. Although Mr Volcker denied from domestic production, which in sharply revised upwards its estimate of economic growth in the bank was tightening the monetary ward revision of the GNP estimate. screws in the face of recent rapid growth in the money supply, Wall bowever, to underpin economists Street quickly concluded that his forecasts that growth in the first testimony made Fed action to put quarter is proceeding at a moderate upward pressure on interest rates pace. Mr David Jones, economist more likely if the economy grew

Dealers quickly interpreted yes-terday's upward revision of the GNP growth as evidence that their fears may be more quickly realised than they expected. Yields on the Treasury 30-year, 11% per cent bond, up from around 11.36 per cent to 11.54 per cent on Mr Volcker's testimony, had risen nearer 11.60 per cent by mid-morning yesterday. Three-month Treasury bill yields

also went higher. Some economists, however, questioned these reactions to the extent that they were a response to the new GNP estimate. The tipward re-vision arises not from any basic shift in the Commerce Department's assessment of the underlying strength of final demand in the

that real final sales in the fourth quarter rose by 8.3 per cent. Now it has modestly increased that estimate to 0.5 per cent. What has changed, however, is its assessment In early afternoon trading the changed however, is its assessment Dow Jones industrial average was of the role of imports in meeting donft 3.21 points at 1279.92. It later mestic demand.

Yesterday's, 4.9 per cent growth figure reflects the fact that the U.S. imported less in the fourth quarter

The upward revision will tend forecasts that growth in the first with Aubrey Lanston and Co in New York, said yesterday that he

are aiming slightly higher. Considerable uncertainty still surrounds such predictions, how-ever. The dollar has risen strongly recently, leading to expectations that U.S. demand for imports will

The Commerce Department's modest upward revision from 2.4. per cent to 28 per cent in the rate of fourth-marter inflation as measured by the GNP peice deflates also contributed to Well Speets pessimustic interpretation of the revised GNP data. vised GNP data.

Confidence in the dollar was further underpinned pesterday by the lack of any large dollar sales by central banks,

cent in value this week alone, but there has been no significant central bank intervention. Dealers believe that at present

highs the U.S. currency may be vulnerable to heavy intervention, par-ticularly by the West German Bundesbank, but the general perception is that the impact of such a move would be short-lived.

Wall Street report, Page 31

### sees no easy cure for dollar

Thatcher

By Peter Riddell in Washington

MRS MARGARET Thatcher, the British Prime Minister, conceded yesterday that there was only a limited amount that could be done in the short term by any government to deal with the problems caused by the strong dollar.

She was speaking at a press con-ference at the end of her two-day visit to Washington after a break-fast meeting with the U.S. cahinet officers concerned with the economy, including Mr James Baker aspry Secretary, and Mr Malcolm Baldrige, Commerce Secre-

The visit is regarded as highly successful, not only because of Mrs Thatcher's well-received address to Congress, but also because of the confirmation of the warm personal relationship with President Ronald Reagan. This was publicly affirmed in an exchange of lavish compli-ments at a banquet on Wednesday. U.S. officials are pleased by Mrs Thatcher's public support for the Reagan Administration's foreign policy. The British side welcomes m particular, the U.S. commitment to allow overseas companies to compete for research contracts in the 'star wars' space weapons programme, and is pleased with the support given to the Anglo-Irish apach to Northern Ireland and the

condemnation of terrorism. . At her press conference, the Prime Minister said she found an swareness both in the Administration and in Congress of the problems caused by the mounting strength of the dollar. She pointed to the difficulties in the U.S. for industries based on exports.

No one, she said, knew how long the resurgence of the dollar would **Greek veto** By Quentin Peel in Brussels

Mediterranean regions of the EEC far short of the level sought by the in a bid to persuade Greece to lift Greek Government, while being its threatened veto of Spanish and well above the upper limit of funds considered realistic by other mem-Portuguese membership of the The seven-year package of inte-grated Mediterranean Programmes

Imps) is an attempt to reconcile the demands of Greece for a better deal from the Community, with the insistence of northern member states, such as West Germany and on combating youth unemploy-Britain, on strict limits on EEC ment. National officials responded pessimistically yesterday, however, doubting that the scheme would

satisfy the Greeks. Little more than five weeks remain before the March summit of EEC leaders must resolve the question and Mr Andreas Papandreou, the Greek Prime Minister, has made successful nego-tiation of the Mediterranean pro-grammes a precondition for Greek approval of EFC colargement.

a substantial reduction in the cost of the previous plan, which involved spending Ecu 6.6bn over six years.

The plan comprises three elements: Ecu 2bn in additional grant aid: Ecu 2.5bn in soft loans; and an unspecified amount of cash from the Community's existing structural funds. These funds are used for regional and social schemes, agricultural investment and training.

The plan does not spell out how the funds will be divided between Continued on Page 18 for the possibility that Greece may

THE EUROPEAN Commission yes-terday unveiled a plan to spend cent intended under the old plan. more than Ecu 4.5bn (\$3.02bn) in Nevertheless, the plan still falls

ber states. This ranges from a ceiling on new money of less than Ecu 1bn to about Ecu 1.5bn. Officials presented the plan yes-terday as a means of developing the full buman potential of the Mediterranean regions, with an emphasis

It would help those areas to adapt to the increased competition caused by Spanish and Portuguese membership, and provide direct subsid-

ies to employment and incomes in depressed rural areas, they said. Some member states immediately objected to the planned supervision of the programmes, which would involve a senior group of Brussels officials simply submitting occasional reports.

The programmes are almost openly admitted to be an attempt to On paper, the new plan looks like buy off the Greek Government's power of veto over enlargement, but there was little hope in Brussels last night that the member states would be able to negotiate an acceptable compromise before the March summit.

Negotiations will have to take place at next week's extraordinary meeting of foreign ministers, and the four-day session planned for March 17-20 at which the final terms for Spanish and Portuguese embership, and a solution to the EEC's continuing budget problems,

EEC cuts steel quotas, Page 2

### U.S. sets conditions for new Israeli aid

BY DAVID LENNON IN TEL AVIV The U.S. is stopping up pressure on Israel to take more severe measures to rehabilitate the economy. Mr George Shultz, U.S. Secretary of State, said in a letter last week to Mr Shimon Perez, Israel's Prime Minister, that additional economic aid was dependent on the imple-

mentation of these measures. Israel has already received \$1.2bn in economic aid this year, but now is seeking an additional \$800m and a similar amount next year. Washington has already agreed to increase military aid from \$1.4bn this year to \$1.8bn for each of the next three years.

In his letter, Mr Shultz analysed steps taken so far, including the

second deal with the unions and employers to control prices and wages: His unequivocal conclusion was that these measures were insufficient to cure Israel's stagila-

The four-page letter illustrates the depth of interest that the Rea-gan Administration is taking in the Israeli economy, and shows the de-gree of Israel's economic depen-dence on the U.S.

Mr Yitzak Modai, the Finance Minister, will visit Washington early in March to press Israel's re-quest. The aid is needed to belp the country deal with its severe economic problems, which include a current account deficit of nearly S5bn in the balance of payments the heavy burden of servicing and repaying the foreign debt of nearly \$25bn; and falling foreign currency reserves which declined at an average of \$250m a month in the past

eight months. Mr Modai has said he expects inflation to stabilize at about 8 per cent per month by April Inflation for 1984 was 445 per cent. In addition to budget cuts, Mr

Shultz stressed that the Treasury's budget department must be empowered to penalise senior government officials who exceed their ministeri-

Three Shia killed, Page 3

### Lange N-policy

MRS MARGARET Thatcher, Brit

"I cannot and will not answer that question," Mrs Thatcher said in a forceful statement of British policy at a Washington press conference. If that meant that British ships could no longer visit New Zealand it would be disappointing both for the UK and the people of New Zea-

Mr Lange, however, in an inter cies and rejected suggestions that Western Europe might follow New Zealand's lead in refusing to accommodete U.S. nuclear weapons.

# Attack on

land, she said.

view yesterday defended his poli-Mrs Thatcher in her press confer

> Continued on Page 18 Details, Page 3

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The dollar has risen over 2

MAIS MARKARET Thateher, Britain's Prime Minister, yesterday harshly attacked the anti-nuclear policies of Mr David Lange, the New Zealand premier, and insisted that she had no intention whatso-ever of revealing whether British ships carried nuclear weapons.

was expecting real growth in the first quarter to be around the 3½ to 4½ per cent level. Other economists surge again in coming months.

Money markets, Page 41

AND AT MAYFAIR, SHEFFIELD AND EDINBURGH. ASSOCIATED OFFICES THROUGHOUT USA AND CANADA:

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bave to be agreed.

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BY BRENDAN KEENAN IN DUBLIS

THE FIVE Irish MPs who defied their respective parties in Wednesday's vote on reforming the rontraceptive laws face severe disciplinary action. The only opposition member to break the party line, former Industry Minisler Mr Desmond O'Malley, is likely to be expelled from Fianna Fail.

Four government backbenchers voted against the measure and one abstained. The main coalition party, the Fine

main coalition party, the Fine Gael, will try to ensure that none of its three rebels is nominated to stand again at the next clection. Two of them are former ministers and one is also a member of the European Parliament. The one Labour MP who roted against will be automatically expelled for defy-ing party policy. Treland's Roman Catholic

bishops were yesterday assessing the damage done to their standing by the passing of a measure which they opposed. Even their supporters believe of the moderate Alliance Party some members of the hierarchy, and blmself a Catholic, who including the recently appointed said it showed there was a Archbishop of Dublin Dr Kevin majority in the Republic who McNamara, blundered by giving preferred to be governed by the impression that MPs must Parliament and not the confes

get across the message that the bishops are merely giving their views on moral questions. Their deliberations will be all the more urgent because of the possibility that the question of divorce, which is illegal, will eventually bave to be faced in the light of the increasing num-ber of marriage breakdowns.

measure with efforts to separate Church and state and bring about Irish unity. He is unlikely to be able to defeat an expul-sion move, but should be assured of a seat in his Limerick constituency if be wants to carry on bis fight as an independent.

by Mr John Cuahnahan, leader

had been shipped across the

about half the \$300,000 officially

raised by the IRA support group, Noraid, is now being

used in defence costs for people

charged in the U.S. with offences connected with IRA

The new Irish legal powers

will make it difficult for the IRA to hold funds in the republic, or even to risk moving

away funds already in the

country, However, there is con-cero, particularly by Bank of Ireland staff, that the IRA may

have to continue to resort to kidnapping and extortion to raise funds.

that taxation levels were at the

limit of what Is feasible and It

Ireland, be sald, had a great

opportunity to take advantage of developments in information

technology because, apart from France, it was the only country

in Europe to have a digital tele

communications system widely installed. He boped for more

private investment in infra-

structure, such as roads, and

the Government was looking for

Some well-known Provisional

activities.

### UK and U.S. intelligence helped in IRA funds case

FitzGerald says outlook

with both new foreign com- was pledged not to allow the pames and traditional sectors overall burden of taxation to

showing growth, Dr Garret Fitz-Gerald, the Irish Prime Minis-Gerald, the Irish Prime Minis-

for industry is bright

BY OUR DUBLIN CORRESPONDENT

THE PROSPECTS for Irish

industry this year are good,

ter, said at the annual con-ference of the Confederation of

Irisb Industry last night. Invest-ment plans which qualified for state aid totalled more than

I£800m (£695m) last year—twice the level in 1983, be said.

On the economy generally, inflation this year was likely to be below 6 per cent, or one ouarter of its level in mid-1982. Tre Government accepted

THE lft.7m (f1.5m) in alleged lows the capture last year of IRA extortion funds seized by seven tonnes of weapons which the Irish Government on Wednesday, was held in a branch Atlantic. of the Bank of Ireland in Navan, One e about 30 miles from Dublin, it was learn yesterday. The money probably arrived in Ireland more than two months ago, although its exact movements are still not known, and the Irish police were probably aware of its existence from

The British embassy in Dublin was informed of the moves just before the measure was introduced into the Dail was infroduced into the Dali (parliament) so Mrs Thatcher would have known about it while on her way to Washing-ton, where she praised the sezure in her address to the U.S. Congress.

The fact that the money was traced early is thought to illustrade the closeness with which
British, Irish and U.S. intelligence forces are working together against the IRA. The

Supporters live in the Navan
area and local interest yesterday centred on one individual
with connections in New York.

Security officials have indicated IRA's U.S. connections appears that the funds might be conto have been penetrated by the authorities and the seizure fol-American businessman.

Church leaders are likely to

Mr O'Malley infuriated Fianna Fail leaders by abstaining from the vote and by making a speech in which he linked the

The result of the vote was welcomed in Northern Ireland

was still terensed on its crili-clam on the U.S IN VIENNA yesterday Nato gave a cautions welcome to the Warsaw Part proposal submitted a week ago on re-ducing conventional forces in

Enrope.

An aillance spokesman said the proposal would be given "careful and intensive con-"careful and intensive consideration," but that ambiguities needed clarification.

The two main elements of the Warsaw Pact proposal are for an initial reduction of 20,000 troops by the Saviet Union and 13,000 by the U.S.

The second element envisages a commitment for no increases in the numbers of troops held by both sides in the central Enropean theatre

for a period of three years.
The proposal seems to suggest the possibility of making a partial agreement as

that Is U.S. Soviet reductions and a no increase commit-ment," the spokesman said. The West is seeking clarification as to the connection be-

tween these steps and follow on reductions."

Patrick Cockburn adds from Moscow: President Kon-stantin Chernenko is not likely to make his traditional speech today as a candidate in the local elections according to a Foreign Ministry official.

Almost all senior party and politburo officials have made epecches in ascending order of rank as they stand for the one-party elections to parlia-ments and local councils in individual republics. Almost all the Soviet Union's 170m electors are expected to vote next Snnday.

Mr Chernenko, who is 73, has not appeared in public because of ill health since December 27.

Up to now Spanish commer-cial banks have bad 51,5 per

### 'Star Wars' offer sparks **Soviet** attack

By Our Foreign Staff

THE SOVIET UNION has re THE SOVIET UNION has reacted to the U.S. offer, made during the visit to Washington by Prime Minister Margaret Thatcher, of British participation in "Star Wars" missile defence research by sharply criticising the U.S. Tass, the Soviet news agency, said "the Reagan Administration is trying to draw its western allies into

draw its western allies into the realisation of its danger ous plans " with the lure of

"lucrative contracts."
Citing "informed observers,"
Tass said the tentative
U.S.-UK agreement on Star
Wars research was clearly the "result of powerful pressure on the part of the U.S."

Since the apparently suc cessful visit by Mr Mikhail Gorbachev, the senior politbure member, to Britain last December, Moscow bad plnned some bopes on Mrs Thatcher moderating President Reagan's Star Wars am-

Her support for Star Wars research, as distinct from de-velopment or deployment, has dimmed these hopes. But yesterday's Tass commentary was still ferensed on its crill-

within a year of reaching agreement. This would be followed by larger reductions in Nato and Warsaw Part

a first step towards a more comprehensive agreement.
Nato, on the other hand, has been pressing the case for a comprehensive agreement covering initial and global troop reductions as well as verification procedures. "At first glauce the Eastern proposal appears to

### **Exports power West German car production**

EXPORTS ARE giving a powerfrom abroad, with car exports
ful thrust to West German car
production, but the domestic car
market is still causing concern.

But the domestic market remarket is still causing concern.

But the domestic market remarket is still causing concern. market is still causing concern. New car registrations inside the country fell following the con-fusion over exhaust emission

More than 404,000 cars rolled off the assembly lines to West Germany last month, 11 per cent more than a year ago. The strong imperus, bowever, came

corded a sharp setback, new car registrations dropped 12.4 per cent below compared with the same month a year ago. The West German car mar-ket has been in turmoll for

every coalition since 1969 must never be underestimated and

the political oblinary of the party has already been pub-lished a score of times. Rarely,

though, have its circumstances

delegates of the Free Democrats

will gather in Saarbrücken to

truth: that the party is financi-

ally broke, smeared more than any other by the lingering scan-dal of the "Flick Affair," and —most serious of all—presently well below the 5 per cent mini-mum vole it requires to keep a

toehold in state and national

Partly because of Plick, partly because of a belief that mobey thus spent looks a risky investment, industrial and other contributions to the FDP's coffers have all but dried up Paidure membership.

dried up. Paid-up membership has slipped to only 70,000, and

parliaments.

month either.

looked as desperate as today. This weekend, 400 national

months because of the Govern-ment's proposals for tightening exhaust emission controls and due to special factors rather than a break in the logiam.

Brussels. Many motorists bave simply put off buying new cars until the row is settled. Motor industry executives claimed recently that as many as 400,000 buyers have been bolding back. Latest indications are that local demand, seasonally-adjusted, improved slightly last month, but this is thought to be

FDP turns to a new leader for

launch of its new models. The Automobile Industry
Association is so concerned
about the situation that it has placed full-paga advertisements

Rupert Cornwell reports on the Free Democrats' desperate plight

Some car companies have in West German newspapers launched big promotional efforts exhorting motorists to buy a to lift orders so as to maintain new car and pointing out that the level of production, but all new cars, with or without Daimler-Benz is known to be callettic converters, cause less affected than other large pollution than older models, scale manufacturers, particularly m view of the recent the car Industry that the Government will have to reach a compromise with its Engapean Community partners soon to clarify the car pollution

#### Moscow to open up **N-plants**

By Patrick Blum in Ylenna THE SOVIET UNION resterday

signed an agreement bere with the International Atomic Energy Agency (IAEA) which will allow international inspection of some of its noclear power utilities for the first time. The IAEA accord seeks to prevent the use of nuclear power installations for military

Mr Andrei Petrosyants, chairman of the Soviet committee on nuclear energy, said yester-day that the Soviet decision would belp the agency broaden its work by giving its inspectors access to the type of reactor built and exported by the Soviet

The agreement will come into force as soon as it has been ratified by the Soviet authorities. Under its terms the Soviet Union will provide a list of nuclear plants available for inspection. This is not expected include nuclear fuel

Mr Petrosyants' reference to exported reactors was taken by some yesterday as indicating that Moscow may only allow inspection of some of its older pressurised water reactors. These bave been exported to Eastern Europe for some years and have been inspected by the IAEA there.
Moscow's decision voluntarily

to allow inspection of some of its reactors follows similar moves by the U.S., Britain and

Countries which have a military nuclear capability are not bound to allow IAEA inspec-tion. Britain has listed all its nuclear utilities for inspection, while the U.S. and France permit some to be visited.

Mr Petrosyants argued strongly yesterday that the Seviet Union was against nuclear proliferation in any form. "The (IAEA) safeguards are the most important part of the non-proliferation regime." The nuclear Non-Proliferation already signed, comes up for review in September and this may have motivated the Soviet move. Mr Petrosyants said he hoped that the results of the noped that the results of the first inspection of Soviet reactors would be available by the time of the review.

According to the IAEA, the Soviet Union had 46 nuclear reactors in operation with a capacity of 23,000 MW and providing 88 near cent of Soviet

viding 8.8 per cent of Soviet electricity. It also has another 39 reactors under construction.

#### Glemp to lobby for church farming scheme

By David Buchan in London and Christopher Bobinski in Warsaw CARDINAL Jozef Clemp,
Primate of Poland, arrived
yesterday in the UK for an
11-day visit during which he
will preach before many of
Britain's ethnic Polish community of more than 100,000, attend a pan-European Catholic bishops gatherings, and try to drum up money for the Polish church's planned agricultural

The UK Government, repre-sentatives of which the Cardinal is expected to meet informally, is opposed to giving money; nationally or through the EEC, to this scheme whereby the church hopes to funnel nearly \$2bn (£1.3bn) worth of scarce Western farm equipment and materials to Poland's numerous pro-Catholic private farmers. UK officials say, and Cardinal Glemp will find this argument echoed by British Catholics, that

needs of starving Africans come before those of Polish farmers. A further British official concern is that, even if the agri-cultural fund is not subverted by the Polish state, the church may not have the managerial skills to run so large a scheme. The agricultural fund would rine agricultural fund would sell Western equipment to Polisb farmers for zlotys, which in turn would be used to finance rural infrastructure projects like machinery repair services. vices and craft shops, and to boost indigenous production of tractors and fertiliser. Bot the fund, which was conceived after the Pope's 1983 visit to Poland, still lacks final legal approval from the Jaruzelski Govern-ment, which is quibbling overthe customs duties and taxes The Polish church needs at least \$8m from the EEC to get even a \$28m pilot project off the ground, and so far has firm pledges of \$10m from the U.S. Government, \$3m from U.S.

#### rescue from political oblivion "I DO NOT see myself as the saviour of the FDP." Herr Martin Bangemann, the somewhat Falslaffian West German Economics Minister observed the other day with becoming modesty. But it is the measure **FDP Yote Share** of his party's plight that while many Free Democrats would doubt his qualifications for the task, a savionr is precisely what he has to be. The FDP's capacity to survive as the centrist makeweight in

elect Herr Bangemann as their new leader. It will be, as such things go, a historic occasion. as Herr Haus Dietrich Genscher. Herr Bangemann's most 62 per cent of the vote as a realistic goal is to use the time result. Foreign Minister, deft tactician and symbol of the slippery soul of the FDP, gives way after 11 years at the helm to bis succesavailable — and the still per-ceptible preference of the national electorate for moderation rather than extremism to scrape over the 5 per cent mark with the belp of the "second vote" proportional system in the Bundestag poll two years hence. If be falls, oblivion beckens There will undoubtedly be much talk of a new beginning. and much whistling to keep spirits up. But beld words will not conceal the unpleasant

Herr Bangemann, a 50-year-old lawyer, for all his ample ebullience is hardly a proven quality. That he has staged a breathtaking comehack, from membership of a tiny, defeated, FDP rump at the European elections last June to the heights of Federal Economies Minister and now leader of his party is less the belated discovery of bis unsuspected virtues than plain recognition that no alternative existed once Herr Gens-

cher had decided to go. Until 18 months ago, of course, there had been one— Until 18 months ago, of Perhaps the party's best course, there had been one — chance lies with the economy. Count Otto Lambsdorff, his prehas slipped to only 70,000, and many supporters are still unhappy at the decision to switch horses from Social Democrats (SDP) to Christian Democrats (CDU) in 1982, thus precipitating the replacement of Helmut Schmidt by Helmut Kohl as Chancellor.

In this wretched state, the FDP must fight three important the pert confusion. The traumes of 1982 confusion. decessor at the Economics admit be is no trained Ministry. But Count Lambs economist; but he has taken

On top of that, there is policy confusion. The traumas of 1982 have left the FDP with two wings, a split between Left and regional elections in the next three months. In the biggest of them, in North Rhine-Westphalia, it failed to win seats in 1980, and barring a miracle will Right which is bardly a luxury that a party with 3 to 4 per cent of the vote can afford. Standing unopposed last year as party leader, Herr Genscher not do so this time. Few would gamble much on success in Berlin or the Saarland next could manage only an inglorious

So what should a liberal party

stand for in modern, changing Germany? The young have flocked to the Greens and the FDP's traditional managerial and professional supporters are drifting to the CDU, with whom the Free Democrats, for their own credibility if nothing else, are condemned to remain in The Bangemann answer to

the problem is a mixture of economic conservation, and tocal liberalism, pitched to correct the excesses of the Right, particularly of the CSU of Herr Franz Josef Strauss. But this strategy thus far has been noticeably translated only into a series of policy squabbles hetween the FDP and the CDU/CSU, Some it wins, others it loses: few of the wins producenew friends.

office when recovery is gather ing pace. If it lasts until 1987, some of the credit could rub off onto the FDP and its ever opti-mistic Minister.

That certainly will be the hope that the party will use in Saarbrucken tomorrow to banish its fears, however briefly. It is also the prayer of Chancellor Helmut Rohl, whose own grasp on power after 1987 depends on Herr Bangemann succeeding as the Free Demosucceeding as the Free Demo-crats' reluctant saviour.

### Sands shift under Genscher

IS A REYSTONE being removed which one day w removed which one my will bring an impeting differ erashing down? It is tempt-ing to see the surrender by Herr Hams-Dictrich Genacher of the leadership of the Free Democrats (FDP) in pre-cisely these terms.

able to hold sway as Foreign Minister and. Deputy Chancellor now that he has fallen from the pinnacle of his party? He is determined to remain as Foreign Minister until the federal election of Pebruary 1987 or beyond, but might not his real power be heavily undermined? Some detect that such a process is already under way.

At 57, we were when some Af 5% an age when some political careers are barely

beginning, Herr Genscher with his habitual blazer raspy yet reasoning voice and lawyers instinct for the course of least resistance, has been around for an oterally.

He has been a cabinet minister without interruption since 1962 and Fereign Minister since 1974, far longer than any of his Western colleagues. Even the immov able Seviet Foreign Minister, Mr Andrel Gromyko, has a rare respect for the feel and experience of East West issues which Herr Genscher has acquired:

Lately though, he has taken some embarrassing knocks. One was the fallure to prevent One was the father to prevent Boun refusing to sign the Law-of the Sea convention in late 1984; another was his inability to atmuch the crass debate over whether the warting loss of territory in Silesia was necessaries.

Nor have his tireless travel ling seeming capacity to be in half a dozen places at once, and endless speechmaking dispelled the impression that what counts in foreign policy-making here has moved from the Genscher Ministry to the Christian Democrat - held

Chancellery,
In part, this is simply because the mediator's role between Washington and Moscow hardly exists any longer, But, more deeply, it is the expression of the decline of the FDP Itself, of whose remarkable ability to parlay few votes into quite disproportion ate infinence he has been the most enduring symbol.

### EEC cuts some steel quotas

BY PAUL CHEESERIGHT IN BRUSSELS UNCERTAINTY ABOUT the

future pattern of demand and concern about price discounting bave led the European Commis-sion to reduce the second quar-

the secood quarter of this year than in the first quarter. But it announced small increases in the quota for other categories of steel. Both output and prices are controlled by the Commission as part of the EEC plan to restructure the steel industry.

Steel users noted that the re-duction in car demand in West Germany and the hesitancy in the British motor industry bad affected consumption of cold rolled sheet. Under these circumstances, a reduced quota appeared inevitable, they sald. The reduction in the quota for hot rolled coil, which has a wide variety of end-uses, reflected

#### New Belfast development plan unveiled By Our Brussels Staff AN IMPROVED development

plan for Belfast—co-ordinating EEC, UK Government and local authority initiatives—was presented yesterday to Mr Grigoris Varis, the EEC Commissioner for regional affairs. It is part of a Community experiment to see if closer integra-tion of the efforts of regional, social and other development agencies can better encourage the take-up and use of projects Belfast was chosen with

Naples as a "guinea-pig" for Mr Chris Patten, a junior Environment Minister, under-lined that most of the £360m allocated to Belfast would come bishops and \$1m from Canadian from the British Exchequer under public expenditure plans

4th gtr. 1st gtr. 1984 1985 3rd gtr. slon to reduce the second quarter production quotas for two of the most widely used categories of steel.

The Commission announced yesterday that steelmakers ahould produce less hot rolled coil and coil rolled sheet in the second quarter of this year.

Wide beans, sections 4,356 3,631 958 806 1,293 1,949 2,563 1,741 2,365 1,300 1,122 2,570 1,768 Wire rods Reinforcing bars the general fragility of the federation. But this is contes-recovery in steel demand, they ted by users. At last Friday's added, But the Commission will informal meeting of EEC steel

EEC PRODUCTION QUOTAS

also have been concerned not to see too high a level of produc-tion hecause of the discounting of its published minimum prices on the market. To bold the price, It was necessary to keep the production quotas tight. The Commission is considering a further rise in minimum

ministers, It is reported that there was a general readiness to see prices rise. The cautious rise in the gal-vanised abeet quota follows re-

quests made to the Commission by British users. Demand in the ing a further rise in minimum reinforcing bar quota reflects e prices, following a demand from Eurofer, the steel industry from the construction sector.

### Community voices fears over food aid to Sudan

SERIOUS CONCERN over the EEC grain. ability of the Sudanese Govern-ment to channel EEC food aid

BY IVO DAWNAY IN BRUSSELS

this week from a British par-liamentary delegation recently returned from the Sudan. These raised the question of whether the country's poor roads and inadequate port facilities will running out of su be able to cope with more than this too is expect im tonnes of cereals due to be unloaded in the next few baulage companies.

tonnes are due to be processed by official non-governmental aid thousands of refugees from agencies. But no formal distri- Ethiopia, currently entering the bution system has been set up country at a rate estimated at to deal with 150,000 tonnes of more than 3,000 a day.

Talks between an EEC team and the Sudanese are continuing to the bungry was voiced yester but the Community is day at a special co-ordinating understood to be less than bappy committee on the African famine in Brussels.

The worries confirmed reports tors.
The Sapudi Arabian Govern-ment is believed to have offered substantial quantities of

petrol to fuel lorries now running out of supplies. But this too is expected to go to relatively unsupervised private More than 4.5m Sudanese are U.S. donations of 900,000 now said to be starving, and

this does not take into account

#### France takes firmer line in New Caledonia By Paul Betts in Paris

THE FRENCH Government has toughened its approach to New Caledonia following a remewal of tensions and violence in the lerritory. For the first time since a state

of emergency was imposed last month, it has decided to expel five white residents scrused of fomenting disorders. All are leading members or sympathisers of the extreme right wing Caledonian Front, which opposes independence for the

The Government has also called back to Paris the officer in charge of the gendame force involved in violent clashes with Melanesian separatists at the weekend. Several separatists and two gendarmes were injured near the Thio picket

mine.

The clashes occurred after the gendarmes allowed a large group of white settlers, including members of the Caledanian Front, to hold a plense man the mine. It had been beautiful the French Government's apecial envoy in the colony, because the authorities saw it as a deliberate provocation.

the events have prived deeply embarrassing for the French authorities at a time when M. Pisani is attempting to negotiate the future of the island with Melanesian (Katak).

island with Meianesian is separatists.

But the decision to expel the five whites which was intended to appears the Kanaks could provoke serious denous strations among European settlers opposed to independence. dence.
The majority rightwing party in New Caledonia warned yesterday it would oppose the expulsion orders.

Financial TIMES, USPS No. 19080. Published daily accept 2 beddyn and holidays. U.S. subscription rapes \$420.00 per sonant. Second bless, possess paid, 31 New York MY, and at address address schemes. To Financial Times, 14 East 60th Supell New York, 197 19022.

#### Spain eases lending restraints BY DAVID WHITE IN MADRID

proposals in this regard.

AN EXTRA \$2bn will be mede available from the Spanish banking system for lending to the private sector under government decrees easing the constraints on bank funds, according to estimates by the Bank of Spain. The Government's decision

reduces the amount banks have to place in compulsory reserves and state-directed investments. The move bad been enticipated as the Government's side of the bargain in response to gradual cuts in bank lending rates, which the authorities have been seeking in order to stimulate private sector investment. Earlier this month, all the main Spaniab banks lowered the

preferential rates charged to A representative of the

MINNESOTA TRADE OFFICE will be at the London

International Hotel February 25 to March 1, 1985

Persons interested in investment or business development in Minnesota, please telephone 370-4200 and request Mr. Richard Haskett.

a point. This leaves the standard rate for one-year loans at 15.5 per cent.

The Government has now approved a reduction in the amount banks have to devote to Treasury bonds from 12 per cent of their total deposits to 1982. These quotas are made 11 per cent, with a further one-up of compulsory reserve point cut scheduled for next It has been able to do this

since, with liquidity high, there has been no difficulty in placing most of this year's Treasury bond requirements.

In addition to the \$2bn released by this measure, further funds will be made avail
ment is similar. The Covernment and that the current ment is similar. bond requirements.
In addition to the \$2bn able from the system by other reforms in the complex and confusing system of compulsory

cent of their deposits tied down in one way or another by quota rules as a result of tighter monetary control since the Socialists came to power in requirements of 18 per cent (of which 5 per cent hears no interest), 21.5 per cent in statedirected investments including in Treasury bonds.

ment is alming to make the

system more uniform at the

same time as introducing a gradual liberalisation. UN action demanded over

BY DAVID BARCHARD IN ANKARA TURKS OF Bulgarian origin Bulgarian Turkish Association now living in Turkey are press-said they believed that Ankara

committee of a hundred women of Bulgarian Turkish origin who lobbied the Turkish Parlia-ment, which debated the issue in secret on Wednesday, accuses the Bulgarian authorities of

now living in Turkey are pressing for United Nations action following claims that their fellows still in Bulgaria ara being persecuted by the Government there.

A telegram to the UN by a committee of a hundred women with the transfer of the water with learned of the events in Bulgaria from Turks who recently visited there. They claimed that in Shumnu, Bulgarian tanks had surrounded Turkish houses the transfer of the matter with the transfer of the matter with the transfer of the matter with the transfer the matter with the transfer of the matter with the transfer of the matter with the united that their fellows still in Bulgaria ara being persecuted by the Government there with the united that they had learned of the events in Bulgaria from Turks who recently visited there. and that up to 200 people bad been killed in an armed clash.

Close relatives in Bulgaria had confirmed over the phone that they were being ignoring their own constitution forced to change their nar and flouting the UN declaration of human rights and the Final Act of the Helsinki Agreement.

Members of another emigre their new Bulgarian names. forced to change their names and that some had written to their families in Turkey, using

### **Bulgaria's ethnic Turks**

### Egypt's foreign currency rules bring confusion and alarm

regulations, aimed at stopping the once booming black market, are proving something of a minefield for the Government and a source of elarm to foreign the Egyptian Government, hankare proving something of a minefield for the Government and a source of elarm to foreign bankers who see in them e negative official attitude to their activities

While there is general egree-ment in the local banking com-munity that steps are needed to rationalise Egypt's Byzantine foreign exchange system, with its multiple layers of official rates and its dependence. rates and its dependence on an unofficial market, the Government does not get high marks for its application of the new

Nevertheless, bankers say it too early to gange the suc-cess of the new system which is too early to gauge the success of the new system which means by which importers on the Government's establishing credibility in its operation.

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This is a danger period for the Egyptian Government, hankers say, because the system could easily fall if confusion persists. Importers of all but what are considered essential items are finding it almost impossible to secure funds. Shortages of imported foodstuffe are apparent in the chops and dealers in imported cars report their activities have been virtually apparent activities have been virtually activities activities activities activities activities activities have been virtually activities activit tually stopped.

The regulations ere basically directed towards ending the "own system" of securing for-

port financing.

Steps have now been taken to allow the branches to continue opening letters of credit, but the episode has left an aftertasta in the mouthe of foreign hankers. They have had several difficult encounters with Dr Mustapha Said, the Economy Minister, in their efforts to secure special arrangements to allow them to continue their trade financing activities.

As the head of one of Egypt'e

As the head of one of Egypt'e joint venture banks observed: "I would not have thought now was the time to cock e snook at the major banks like Lloyds and Citibank when the country needs all the funds it can get."

mancial institutions in attracting foreign exchange et a new "market" rete for the Egyptian pound, fixed each day hy the Central Bank of Egypt and the larger local banks. The "floating rate" for the Egyptian pound of short FSI 25 to the delian of about E£1.25 to the dollar (effectively a devaluation of the local currency from the previous best official rate of 1.12 to the dollar) is about 5-10 per cent below the black market price.

At the same time, the Govern-ment has expanded the list of items requiring import licences from 130 to 333.

necessary both to check imports in the face of an expected halance of payments deficit this year of \$1bn (£909m) and to draw foreign exchange back into the banking system, thus provide ing an adequate official pool for epproved imports.

Funds available in the pool will depend on the success of financial institutions in attracting foreign exchange et a new "market" rete for the Egyptian pound, fixed each day by the Central Bank of Egypt and the continue their trade the role of the role of the regulation over the role of the role of the stancing over the role of the role of the respect to the continue their trade the law is a sentence. The same activities on behalf of their clients.

However, Dr Said has told foreign bank representatives that this is an interim solution that will epply until changes can be made to Law 43 to allow them to offer their own "in house" facilities to cover letters of credit.

The Government has suggested that the foreign currency hanckes consider form-

Caire, of the regulations that now require importers to deal through authorised banks in

As the foreign currency it would mean taking e minority branches are not licensed to deal in local currency, the measures effectively prevented them providing letters of credit fecilities to importers. Western bank official. "Why After protests, they are now should we take 100 per cent being allowed to make special of the risk and only end up arrangements with authorised with 49 per cent of the profits." As the foreign currency

The Government has suggested that the foreign currency hranches consider forming joint stock companies with now require importers to deal local parties as a means of through authorised banks in local currency to fund their regulations. But bank representatives are not enthusiastic as system remein in short supply. it would mean taking e minority

The Israelis also made house-to

Maarakeh blocked roads with burn

The Israeli raids are part of

ing tyres, security sources said.

new policy of collective punishmen

instituted after the recent escala

tion of guerrilla attacks against Is

raeli forces. Their aim, in the words

of one officer, is "to reduce the en-

thusiasm of the Shia to attack us."

ces Radio: We all hope these pre-

receiving punishment, heavy pun-

Mr Yitzhak Shamir, the Israel

Under the regulations, banks are authorised to open letters of credit utilising up to 75 per cent of their total foreign ex-change reserves, leaving 25 per cent et the disposal of the Central Bank. The new rules Central Bank. The new rules will give significant advantages to banks with large branch networks and good connections with financial institutions and money dealers in the Guif, the main channel for remittances from expatriate Egyptians.

The Government seems cer-Already, there are reports of loopholes being exploited under which technical "back-to-back" deals are being done to circumvent the new measures.

As one foreign banker said: "I still believe et the end of the day importers will be forced to buy in the black market."

#### SA moves to defuse township tensions

By Jim Jones in Johannesburg

THE SOUTH AFRICAN
Government yesterday
annouced that it would introduce 99-year leasehold rights
for blacks in three Cape
Town twonships in e major
concession aimed at ending
the recent spate of riots over
the policy of forced population removals.

We Gerrit Villoen, Minister

Mr Gerrit Viljoen, Minister of Co-operation, Development and Education, said that the residents of Langa, Nyanga and Guguleta would be eligible for leasehold occupation: "I think that (this) will contribute to e sense of permanence and security among the residents."

The eoncession only affects about half the quarter of a million blacks living around Cape Town, however, and leaves the "illegal" status of many of the residents of Crossroads, the troubled squatter camp outside the city, unchanged.

The death toll from disturbances at the camp earlier this week, which began in the wake of rumours that a major forced removal was in min-ent, rose to 18 yesterday when two black teenagers died of their wounds in hos-

Violence other parte of South Africa overnight. Townships at Kimberley, the east Rand town of Springs, Welkom in the Orange Free State and Paarl, east of Cape Town, were the scenes of demonstrations and

stoning. No easualties were reported.

Mr Viljoen's announcement received a cautious welcome from community workers in the city, but the opposition coalition, the United Democratic Front

(UDF) said that the Government was trying to drive a wedge between "legal" and "illegal" black residents.

Although Mr Viljoen's decision will allow scores of thousands of blacks greater security of tennre, just as many will still face eviction as "illegal" immigrants from

### ing credibility in its operation, ness being worth e staggering luitial indications are that \$35m last year. The regulations are seen to be Plunge of A\$ marks end to Hawke's honeymoon

BY MICHAEL THOMPSON-NOEL IN SYDNEY

WITH the Australian dollar falling to a record low this week, it must bave occurred to Prime Minister Bob Hawke thet his boneymoon with the voters was not only over, but utterly for-

In part, the eagging of the ollar—which occurred in relatively thin trading—was a continuing reaction to the strength of the U.S. dollar. But the severity of the fall was at least partially influenced by domestic factors—not least the damege Mr Hawke inflicted on himself two weeks ago as a result of bungled handling of his own Labor Party's left wing.

From e closing spot rate of 73.10 U.S. cents on Monday, the dollar fell to 70.40 on Tuesday and to 67.90 on Wednesday, when it briefly flirted with an all-time low of 66.50 before recovering somewhat yesterday to close in Sydney at 70.8 cents. At the start of the year the Australian unit stood et 82 U.S.

It rallied yesterday but is still showing pronounced falls gainst the U.S. dollar and against most other currencies.
The plunge of the Australian -which was floated by the

Hawke Government in December 1983-alarmed some observers. Ona corporate economist said the fall was "scarv and disruptive."

Yet it spread a warm glow in the stock market as investors totted up the possible benefits a weaker Australian currency

Source groups like Broken Hill Proprietary, CRA, Western Mining Corporation, MIM and CSR, as well as for farmers, With foreign buyers crowding in to the market, the Austra-lian All-Ordinaries Index, the

market'e main barometer. spurted to an all-time high of 798.9 on Wednesday, against a 1985 low of 715.3 on January 7. Whatever the sbort-term fate of the Australian dollar, or the impact on profits and inflation as a result of enhanced export



Hawke: self-inflicted damage costs, it is now clear that Mr Hawke and his Government face pressures on a broad front First, the outlook for the economy is not as bright as that painted by Mr Hawka and his Treasurer (finance minister) Mr Paul Keating, three months ago in the rim-up to tha wage indexation (one of the December I general election in main planks of the pay and

three-year term.
...Inflation and unemployment

ance of payments of A\$6.88m agreement to co-operate logistic (£4.47bn), up A\$2.95bn on that seen in the same period of 1983-1984.

The betting is that the current account deficit for 1984-85 bellious left-wing. But his as a whola will exceed A\$10.5bn, with worrying implications

Second, the industrial relations climate has deteriorated seen as decisive pragmatic and second, the industrial rela-tions climate has deteriorated swiftly. Vesterday, three public sector unions agreed to suspend work-bans instigated when the wage-setting Arbitration Com-mission threw out their 8,3 per carnings and higher import cent anomalies wage claim on quite wimpish,

An end to the Queensland An end to the Queensland power dispute was announced late last night, with both the power unions and the state government claiming victory, writes Michael Thompson-Noel from Sydney. Details of the return to work are expected to be made known today.

The Australian dellar traded et np to 71.5 U.S. cents yesterday closing 2.9 higher at 70.8. However, rellef at yesterday's lifting of work bans in the public sector was tempered by renewed concern over the money supply.

· Stock market turnover wi A\$115m, the highest fer 18 months, with the all-Ordinaries Index falling nearly four points to 795 as profit-takers moved in.

January 10. However, the Commission has agreed to re-hear the unions claim—this time for an anomalies rise of between 2 and 3.8 per cent—which is viewed by most employers as a sign that strict adherence to centralised which Mr. Hawke won a fresh prices part between Labor and three-year term. the unions) is rotten

Another domestic factor said are down, and capital and conto be tugging the Australian
sumer spending rising. But dollar down is Mr Hawke's own
there is worry on the trade
damaged credibility and authorfront. For the seven mooths to
ity. Two weeks ago, Mr Hawke meant for exporters, particularly 1985 there was a curbary diversified mining and resource groups like Broken Hill Proprietary, CRA, Western (£4.47bn), up A\$2.95bn on that ally with U.S. MX missila tests

> seen as decisive, pragmatic, and as a good business manager. But it also enjoyed extraordinary good luck. The view now gain-ing ground is that Mr Hawke and his Government are really

### Kharg Island insurance

cover withdrawn

TWO MAJOR insurance groups, covering most Greek and British ships for war risks, have withdrawn coverage for Iran's crude oil loading port, Kharg Island. The Hellenie Mutual War Risk Association and the United Kingdom Mutnal War Risk Association took the decision in direct response to

the increase in attacks on ships in the Gulf.

"Recent events in the Gulf have been dramatic enough to move the area from a peace-time war risk to that of e war-time war war risk," said an executive from the Hellenie Association yesterday. Shipowners, he said, will still be able to insure their vessels through the Lloyd's of Loudon market

for trips to Kharg Island.
Although they specialise in war risk insurance, the two mutual associations operate as sort of insurance club for their members. Recently, bowever, claims from vessels damaged in the Gulf have been putting a disproportionate strain on the associations'

### Three die as Israelis raid Shia villages

BY OUR FOREIGN STAFF

THREE suspected Shia guerrillas on Wednesday night were she were killed and houses destroyed in dead. southern Lebanon yesterday as Is-raeli troops continued their puni-tive raids on Moslem villages in an and Yanouh, while people in nearby ettempt to reduce the number of attacks on Israeli forces.

Debba, east of Tyre, were the target of Israeli search-and-arrest operations. Troops killed one man, injured another and arrested at least 15 others in Deir Qanoun. In Tair Debba, the Israelis inter-

Deir Canonn an-Nahr and Tair

rogated 160 men and buildozed e Foreign Minister, told Armed For-Israeli units also crossed north of ventive measures ... will prove to the new front line for the first time the various terrorists that they can-

since their withdrawal from the not attack the Israeli army without Sidon area on Saturday. They raided the village of Zrariyeh, north of the Litani river, destroyed six houses and arrested six people.

Three villagers were reported wounded by Israeli gunfire. For the third day running, a cur-

"Until these ettacks stop, the arwithout hesitation," he said.

ishment

my will have to continue in this way Resistance forces have killed 10 Israelis since Israel announced a phased withdrawal from southern Lebanon last month. Israel has lost few was imposed on the village of Lebanon last month. Israel has lost Arab Salim, north of Nabatiya. Two 621 dead since the June 1982 inva-

### Kuwaitis cast vote for reform

By Our Foreign Staff

KUWAITS newly-elected assembly is likely to subject state policies to more vigorous questioning, particularly on social and economic issues.

Conservatives will again dominate the assembly, the only elected Arab parliament in the Gulf, but many of the 28 new members in the 50-strong bouse are considered reformists and technocrats.

Approximately 85 per cent of the country's 56,848 eligible voters – a select group of males who comprise only 3.5 per cent of the 1.7m population - cast their vote in Wednesday's elections.

Despite allegations of bribery other irregularities among candidates, diplomats praised the Government's bandling.

The result was seen as an indication of voter discontent with the country's economy, which has slowed after years of oil-fuelled strength and is labouring from the effects of the 1982 collapse of the profficial stock market.

# the so-called black homepeople who tried to leave the village sion of Lebanon.

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AUTHORISED FOR INVESTMENT BY TRUSTEES, ASSETS NOW EXCEED 22,800 MILLION.

### Lange undaunted by strength of reaction to nuclear ban

NEW ZEALAND Prime Ministers bave a modest taste for the international epotlight. An election defeat last July robbed the world stage of the colourful presence of Sir Robert Muldern but after a barely decent ful presence of Sir Robert Muddoon, but after a barely decent interval his successor. Mr David Lange, has sprung out of the wings with remarkable alacrity. His celebrity has been earned by his Labour Government's recent implementation of its

recent implementation of its commitment to ban nuclearpowered and nuclear weaponcarrying ships from New Zealand ports. The Reagan Administration has been plunged into a cold fury as it was, inevitably, a U.S. warship which was denied access just over two weeks ago. But this was the policy which greatly belped Mr Lange and his party to win last July's election.

his party to win last July's election.

The embargo has strong support among all sections and age groups in New Zealand for a mixture of moral and political reasons which have been crucial by universal hostility to the nuclear weapons testing which France has been carrying out in the region over the past few years.

Afthough Mr Lange is known to have disputed aspects of the non-nuclear policy in the past, he left no reason to suppose during an interview with the Financial Times that his government will groutly soften its position. He did not agree with the assertion, mede earlier this week by Mr George Shultz, the U.S. Secretary of State, that it made inoperable the 34-year-old Anzus alliance between the U.S., New Zealand and Australia.

Bespectacled and impressively rotund, the 43-year-old Prime Minister has lost none of his

rotund, the 43-year-old Prime Minister has lost none of his relaxed joviality during the last two weeks, despite a perceptible growth of nervousness in hie country over Washington's reaction to the New Zealand embargo.



Lange: jovial celebrity

Over the last fortnight, the U.S. has cancelled a naval exercise with New Zealand and Australia and withdrawn from other scheduled Anzus contacts and consultations.

Nevertheless, Mr Lange is comfortably buoyed by opinion polls showing continued strong support for the non-nuclear policy. He leaves this weekend for Los Angeles where be will nor Los Angeres where he will have a meeting on Monday with Mr Bill Brown, the U.S. Deputy Assistant Secretary of State for Pacific Affairs. He will also be seeing the British Prime Minis-ter Mrs Margaret Thatcher.

After a series of almost daily press conferences on the issue, the Prime Minister has de-veloped some finely-honed argu-

weaponry in our zone and we country's cause.

cannot for the life of us see how we can enhance our security by injecting into that serenity, at least as far as nuclearism is concerned, any weapons," he said. Mr Lange stressed that be re-

garded Europe and North America as being in a totally different situation. "Indeed, if New Zeeland were in Continental Europe and a bus ride down the road there was a nuclear arsenal directed et it, then New Zealand's response would be re-markably similar to the one the Continental countries have embraced. I am not arguing for any form of unilateral disarma-

It was not his Government's intention to lead any kind of crusade and it was "quite ludicrous" to suggest that European governments and peoples might be tempted to go down the same path of rejecting U.S.

He rejected allegations that the New Zeeland stand was weakening the U.S. negotiating position on the eve of fresh arms control talks with the Soviet Union. New Zealand policy did not alter the West'a nuclear strength by a single mis-sile and could not, therefore, weaken the U.S. bargaining

Threats of trade reprisals by either the U.S. or Western European countries are not being taken very seriously. Mr Schultz'e warning against an over-reaction by the U.S. given to a Senate committee earlier this week gave the New Zealand Government some comfort But the Prime Minister has developed some finely-honed arguments in defence of his Government some components but ministers and officials are resigned to the fact that traditional defenders of Newnrity here which says their there is now an ebsence of nuclear longer rally vigorously to the result of the results of the result BY PAUL TAYLOR IN NEW YORK

INTERNATIONAL Business Machines (IBM), the world's largest computer maker, and Merrill rate and Quotron.

price and financial news information equipped with a special decoding country. Every device similar to a cable television kerage bouses around the country. However, by linking up with PBS, computer maker, and Merrill Lynch, the U.S. financial services company, will use the Public Broadcasting Service (PBS) in the U.S. to distribute their planned electronic financial informatioo service via television signals to personal computer users.

The deal, which will provide much-needed additional revenues for the commercial-free PBS television service, represents a further big step in the plans of IBM and Merrill Lynch to enter the electronic information service business in

Pentagon over

leaks to Kremlin

hands by failing to check docu-

ments before they are declassi-

Mr Baldriges complaint was

made in a lelter to five top members of the Reagon Admini-

stration, including Mr George Shultz, Secretary of State, and Mr Caspar Weinberger, Defence

Secretary, extracts of which were published in the Washing-

Mr Baldrige catled for an end

The Commerce Secretary's

move was seeo in Washington

as the latest shot in a long-run-ning battle with the Peolagon over the control of U.S. strate-

gic exports, which the Pentagon has largely been winning

Mr Baldrige was reported to

be particularly angry at security

lapses by the Pentagon, which

has been seeking to wrest con-

trol over strategically sensitive

high technology exports from

other government departments.

process."

general public.

ton Post vesterday.

rate and Quotron.

Those plans were announced last March when the two companies will therefore differ sharply from formed a joint venture called International MarketNet to prepare their entry into the booming elec-tronic information business. However, it had been unclear how the service would be transmitted.

Under the terms of the deal, information provided by Intercation-PBS stations making use of unused" sections of ordinary televi-sion picture signals and delivered to

The broadcast videotext service tronic information services which and telephone lines to receive the information.

International MarketNet said the PRS would be one of three distribution systems for the information al MarketNet will be carried by service, along with small satellite dishes and connections with telephone land lines.

Inibally the new service is excustomer's personal computers pected to be offered to Merrill scaled back.

which has more than 300 member stations covering 96 per cent of the U.S., the service could be made available to other private customers who would pay a monthly service

No financial details of the deal have been revealed. However, for PBS, which is financed by federal funds, corporate underwriting and Individual donations, the agreement will represent an important source of additional income -particularly at a time when federal

### Baldrige attacks Rebels kill police in San Salvador

and wounded many more when they fired a rocket-propelled gre-MR MALCOLM BALDRIGE, nade at a police truck near the cen-MALCOLM BALDRIGE, has a tre of San Salvador on Wednesday accused the Pentagon and other; night, witnesses said.

U.S. Government departments A hospital spokesman said a civof allowing military and techniilian was also killed in shooting af- and Sensuntepeque, about 45 km ter the attack. Military sources said it was the most daring rebel attack in El Salfied and made available to the

> fired the grenade as the truck was when troops with air support attaking about 40 policemen to start tacked more than 100 rebels who patrolling their beats. At least three had burned two buses on a road 16 police officers were killed, and km (10 miles) from San Salvador.

many were burt. The police fired wildly into the air after the ambush, causing chaos Farahundo Marti National Liberato what he described as "this in the area, the witnesses said. Armassive giveaway programme that permits the Soviets to acquire lens of thousands of scientific and technical studies my reinforcements arrived about 30

Military spokesman said at least tled eastern provinces. 14 people were killed earlier in • The chairman of the U.S. Joint

They said eight soldiers and five rebels died when troops, backed by A-37 fighter planes, fought for six hours to dislodge a guerrilla roadblock between the towns of Ilobesco (30 miles) north-east of San Salvador in Cabanas province.

They said 10 soldiers were

vador's capital for more than a wounder Earlier, a national guardsman The witnesses said the guerrillas was killed and six soldiers injured

> The clashes followed blockades on traffic imposed by rebels of the tion Front (FMLN). Bus companies said only one of 10 of their normal services were running in the embat-

SAN SALVADOR - Leftist guerril- fierce fighting between the rebels Chiefs of Staff said yesterday in SAN SALVADOR - Leftist guerrillas killed at least three policemen and troops for control of key highand wounded many more when ways.

Chiefs of Stall Said Yesterday in
Washington that the Pentagon had
evidence that Nicaragua's leftist ru-

> House of Representatives Foreign Affairs Committee: We have seen evidence of chemical defensive equipment coming into Nicaragua." He called it "decontamination equipment" and said there was no

evidence the Nicaraguans had acquired chemical weapons. Gen Vessey told the panel: "Nicaragua has the most powerful army ever in Ceotral America," ad-

ding: "It is a Marxist-Leninist garrison state." His testimony cootinued an escalation of rhetoric by Reagan Admin-

istration officials in recent days in an attempt to persuade Congress to revive covert aid to anti-government rebels, called "contras,"

### Chile trip causes confusion on U.S. policy

CHILE'S destiny was in good bands, Mr Langhorne Motley. U.S. Assistant Secretary of State for Inter-American Affairs, said as he left Chile on Wednesday night after a three-day visit which included discussions with Among the studies that Mr General Augusto Pinochet.
aldrige said were available to Mr Motley's visit caused con-

Baldrige sald were available to Mr Motley's visit caused con-the Soviet Union was one called fusion about the attitude of the a simulation model of the Reagan Administration to the army's command, control, communications and intelligence mulications and intelligence military coup in which General

says its priority is to protect

The transatlantic route repre-sented approximately 20 per

earnings in 1988. Company officials say the Greek carrier

would he badly hurt if it were exposed to more competition

from U.S. commercial airlines. The U.S. view is that the new

allows additional reciprocal arrangements of "mutual and

equal" economic benefit.

Pinochet seized power and top- embassy seeking his interven-pled the civilian government of tion on behalf of relations President Salvador Allende, when he said, the Chilean people had "rejected a form of government which is alien to our hemisphere."

The U.S. earlier this month abstained in a vote in the International President Company of the Chilean Property of

becoming democratic." A few hours before his departure from Santiago Chilean of human rights and the mount-police arrested 30 women ing campaign of violence by demonstrating outside the U.S. General Pinociset's opponents.

hemisphere."

He added: "Each country on a large loan to Chile and must set its own timetable for officials in Washington have expressed concern about the in-crease in the regime's violations

### Host 'also responsible for drunken driver

By Terry Dodsworth in New York

THE ANTI-DRUNKEN driving lobby in the U.S. has won a famous victory in a New Jersey case which establishes the responsibility of a host for the sobriety of a driving

The out-of-court settlement agreed as the case was being brought before the state Supreme Court at Freehold. is bound to have widespread ramifications.

"This is a precedent-setting decision," said Mr George Chamlin, the lawyer for the chamin, the lawyer for the woman who was injured.

"The New Jersey Supreme Court is enlightened and liberal and has given a lead which is already being followed up in the rest of the country." conniry.

Under the terms of the \$172,500 (£159,000) settle-ment, almost half the damages to a woman injured in a head-on collision involving a drunken driver will be paid by the insurance company providing cover for the house-holder where the drinking occurred. The balance will be paid by the car driver's insurance.

Previously, U.S. courts had refused to hear complaints against householders, arguing that consumers of the alcohol were entirely responsible for

their own condition.

The New Jersey decision follows five years of legal argument to bring the case to trial. Lower level courts refused to hear the case, but the Supreme Court reversed these decisions, arguing that the issue cauld be pursued on the grounds of common law negligence—in extension of the notion that a householder can be guilty of negligence if a guest falls through a trap-deer, for instance.

"It was a question of whether or not the social host whether or not the sectal was acted wisely," said Mr Cham-lin. "In this case, we estab-lished that the driver must have try to a minimum of 13 drinks of Scotch in an hour-and a half. He was so drunk that the host certainly should have known he was drunk." Lawyers in the case did not have to establish the drunkenness of the driver, who pleaded guilty to the charge, and later joined in bringing the action against the house

### 'Isabelita' Peron resigns from presidency of Argentine party BY HUGH O'SHAUGHNESSY, LATEN AMERICA CORRESPONDENT

SRA MARIA Estela Martinez Argentine from 1945 until he mal split between the two main de Peron, the former Aregen was ousted in 1955 and from Peronist groups represented in time president, has resigned as 1972 till his death in 1974. The Argentine congress.

Sra Peron, as vice-president, Her resignation will speed the president of the Peronist Party, it was announced in Buenos Aires yesterday.

Sr Jose Maria Vernet, acting president of one of the two principal factions of the party, said that Sra "Isabelita" Peron had set out her resignation in

had set out her resignation in a letter dated February 4 and written from Madrid where she has been living in self-imposed exile since the middle of last

BY NICKI KELLY IN NASSAU

The action by the Bahamas Hotel and Catering Workers' Union has disrupted operations

troops, tanks and beavy artillery to its border with Honduras to counter a possible U.S.-led

invasion, Renter reports from

Managua.

Managua stations troops

NICARAGUA says it is moving Nicaragua a few miles from the

Managua. Weapons incided Soviet, Tobs tanks. Soviet multiple rocket launchers, 182 mm artiflery. At least two Soviet helicopter ginsuggested the Sandinista Government could be planning a major spring offensive against U.S. backed right-wing rebels.

So Humberta Orster Nice.

The late general's widow, who was identified with the right-wing of the Peronist movement, proved incapable of uniting the Peronists during her presidency or afterwards.

Sta Perón was the third wife In the past month tensions of the I ate General Juan between rival factions within Domingo Perón who ruled the party culminated in a for-

the Argentine congress.

Her resignation will speed the process of political disintegration of a movement which had little formal structure and was from its foundation in 1945 effectively dependent on the

often contradictory pronouncements of Peron himself Sra Peron's decision is likely to be quietly welcomed by the

government of President Ran Alfonsin who will now face an increasingly disunited opposition to his policies.

### Nassau hotel workers threaten to step up action

thousands of botel workers in Nassau and Paradise Island entered its sixth day yesterday. The association contends that with union leaders threatening high operating costs and the an all-out strike unless their strength of the dollar has terms for a new three-year contrace are met.

husiest part of the year and created grave concern over the long term repercussions on the Bahamas' \$800m tourist in-

(£92.5m) over the next three

already eroded the Bahamas' competitive position in relation to other resort destinations.
"Should employers give in to any substantial part of these demands we would be ensuring beyond any question the demis our vital tourist industry, Mr Farrington said.

The contract with the hote dustry.

Mr Barrie Farrington, the president of the Bahamas Hotel Employers' Association, warned slow down is the second in six that any "irresponsible or reck-weeks Mr Thomas Bastian, less behaviour" by the union union president, said the action less behaviour" by the union union president, said the action could lead to economic collapse, would continue until an agree-He said the union's demands, ment was reached. If that which include a seven-hour day failed, "the possibility of a and a four-day week, would cost strike looms bigger," he said.

Honduras border in Climandega province where a strong mili-tary force was deployed:

Weapons included Soviet T-55

tanks, Soviet multiple rocket launchers, 162 mm artillery. At least two Soviet helicopter gun-

exercises, including mock tank batles, in Hondores; over the

in fraud case THE SWISS Government has given Mexico legal assistance in an investigation of alleged fraud against Pemex, the State owned oil company, the Swiss Justice Ministry said Renter

Switzerland

aids Mexico

reports from Berne. The decision to co-operate with Mexican authorities made about two weeks ago but not publicly announced, involved alleged bribes by a U.S. company to Pemer officials to win a contract for certain oil equipment, the ministry added.

The moneys were allegedly later paid into Swiss bank accounts. The documents, originally sought in 1983; were given to the Mexican embassy on February 7. The Government's decision

to hand over documents followed a rejection last year by the Swiss Federal Court of an appeal by two former execu-tives of Pemer against the supply of information to Mexican authorities.

The court said in last July's rnling that the Mexican authorities suspected two an named former executives of taking bribes of \$28m (£25.9m) from the Melican subsidiary of Crawford Enterprises, a U.S.

It had said the subsidiary had received contracts in return for the hribes. A t least part of the money had been transferred. Sr Humberto Orenza, Nica-raguan Defence Minister, on next three months. Nicaragua the money had been transferred Wednesday took a group of has said the war games are a to Union Bank of Switzerland journalists to a hill in northern, rehearsal for a U.S. invasion. and Swis Bank Corp accounts.

### WORLD TRADE NEWS

### Greece to sign one year interim air deal with U.S.

BY ANDRIANA IERODIACONOU IN ATHENS

GREECE HAS reached an Greek Foreign Ministry, which interim one-year civil aviation is handling the civil air talks. agreement with the U.S., which will allow transatlantic flights between the two countries to continue without disruption sented approximately 20 per while Athens and Washington cent of Olympic's international try to negotiate a long-term air pact, the Greek Government announced yesterday. Greece says the interim agreement will be initialled in Athens today. A 1946 Greek-U.S. civil alr agreement expired on February 6 after having heen
denounced by Athens as "onesided and colonial" 12 months

The U.S. view is that the new
is direct. Job with air
agreement should ensure maximum opportunity for
U.S. airlines.
The Greek Government

sided and colonial "12 months The Greek Government searlier. For the past three weeks, flights have been kept going through consecutive extensions of a few days at a The interim agreement will now give the two sides a protracted hreathing space in which

to continue their negotiations of the past year for a permanent The main obstacle to agree-

ment is understood to lie with the issue of single versus multiple carrier designation. The 1946 agreement allowed multiple unspecified carriers to serve the Greeks-U.S. route. But until last year this was shared equally hetween one airline from each country — Trans World Airlines (TWA) and Olympic Airways, the Greek stale carrier.

Greece denounced the agree ment last winter after Pan American, World Airways and

### EEC to probe three charges

THE European Commission has started an anti-dumping investigation into imports of wire rod from Brazil, Portugal, Trinidad and Tobago and Venezuela. The investigation comes

shortly after the Commission

spread steadily out over 12 months.

According to the U.S. these arrangements cover the option of a second U.S. airline heginning flights Into Greece, in exchange for Increased Olympic flights to the U.S.; pending final agreement.

Applications by the three American alrlines which hid to begin Greece-U.S. flights last lng moves just announced by the Commission. year, reportedly still stand. The U.S. Department of Transporta-tion is to select one of the three applicants,

Olympic officials stated that the company has no plans to step up its flights to the U.S. in the next 12 months, although ther said that TWA is expected Transamerica applied to begin to increase its flights into Greece-U.S. flights under the Greece in the early summer. multiple carrier clause. The TWA declined to comment.

### of dumping By Paul Cheeseright in Brussels

has complèted the main nego-tiations with steel supplying countries for the 1985 level of their sales in the EEC. Steel imports are not only supposed to comply with certain tonnage levels but also to maintain a close relation-ship with EEC prices and be

The complaint that the four suppliers were dumping came from Eurofer, the steel industry federation, the Commission said yesterday. Citing Eurofer evidence, it noted that wire rod imports from the four countries had risen from nothing in 1981 to over 77,000 tounes in the first quarter of 1984.

Sales of wire rod from these countries are said to have been taking place at prices np to 33 per cent lower than EEC producer list prices. The action on wire rod is one of a series of anti-dump-

It is also investigating e complaint from the European Confederation of Woodwork-ing Industries that hardboard is being dumped by Argen-tina, Portugal, Switzerland and Yugoslavia.

They are said to have been undercutting EEC prices by np to 46 per cent while build-up an g per cent share in the market for 1983 compared with 4.7 per cent in 1981. The 1984 level of imports is estimated to be much the same as for 1983.

A third investigation started by the Commission involves closs from Sweden, but not it appears traditional wooden clogs. Those that the Enropean Confederation of the footwear industry has complained about have outer oies of teather and a leather

The barden of the Confederation complaint is that Sweden has been undercut-ting EEC prices by np to 72 per cent, white Community production has been falling from 2.3m pairs in 1981 to 1.4m pairs in 1983.

### Gandhi announces move to boost electronics

BY K. K. SHARMA IN NEW DELHI

prepared a new package for the davelopment of the electronics industry which may give foreign in progress for a industry which may give foreign in progress for some years and companies a higger tole in the a separate Department of Electronics was established by the presented to Parliament in its late Mrs Indira Gandhi, who next session beginning March 11.

Mr Rajiv Gandhi, the Indian Prime Minister, announced the package yesterday at a seminar on investment opportunities organised by the All Indian Manufacturers organisation. Mr Gandhi said be believed that electronics should be given priority. "We missed one bus with the industrial revolution and were not able to catch up for 300 years. We should not miss the second hus—the electronics revolution." Mr Gandhi said.

Ever since he was swept to power in parliamentary elec-tions last December, Mr Gandhi has repeatedly stressed the on the modernisation and de-importance of electronics for velopment of the Indian coal India, both for industrialisation industry, and for general economic The m

Work on the Package bas been terms last year. However, progress in all sectors of the elec-

tronics industry, notably com-puters, has been noticeably Many Indian industrialists who bave invested in imported technology in electronics, par-ticularly computers, have expressed fears that foreign in-vestment in the field could mean heavy losses for there. These fears are expected to be taken into account, but it is widely believed that foreign firms will get a bigger role than

hitherto. Britain and India this week reached agreement on moves to increase collaboration

The main agreement is preparation of a master plan by it is widely expected that the new package of policies be has promised will give substantial Gujarat state which is under concessions and incentives for the control of the Government-



Rativ Gandhi

owned Western Coalfields Development of this coalfield, which is close to the consump-tion centres of the western and southern parts of the western and southern parts of the country, has been given priority in India's seventh five-year plan for the period 1985-80.

The discussions, by the Indo-UK joint steering group on coal, also covered collaboration in opencast and underground mines delivery of autions. mines, delivery of equipment from Britain and training of Indian experts. Officials reviewed the present

position on purchase of equip-ment with the help of British credits for the 4m toune Amlori open cast mine in Sing-rauli coalfields and also develop-ment of the 800,000-tonne Rad-hamadhavpur underground pro-ject at Raniganj coalfields. A distinct possibility that bas emerged is the manufacture of longwall mining equipment in India with British help.

by 12 per cent cent this year trast; there are signs of a pick down from a remarkably strong up in the U.S. after hitting a 38 per cent—40 per cent last low of 0.58 in December, the year.

M. Lean Philippe Descript the 10.68 per cent last worth M Jean-Philippe Dauvin, the senior economist at Thomson Semiconductours, the semicon-ductor subsidiary of the nation-alised French defence and consumer electronics group, says that his bearish forecast for the industry in Europe this year is now shared by ferecasts of U.S. groups. U.S. groups were earlier estimating growth of

BY PAUL BETTS IN PARIS

between 21 per cent-25 per cent for the European semiconcent for the European semicon-ductor market this year.
For the first time, the latest cyclical slump of the industry has occurred at about the same time in both the U.S. and Euro-pean market. Traditionally Europe has lagged the U.S. in

M Darvin says the slump in Europe started last August. The bookings to billings ratio (the key measure for the industry) propped to 0.65 last month from a peak of 1.70 in April 1984, according to M Danvin.

growth set to slow to 12% THE EUROPEAN semiconduc months and start recovering tor market is expected to grow around May or June. In con-

European semiconductor

to 0.68 per cent last month. M Dauvin says the European market is currently going through a readjustment phase. He is cautiously bearish about the industry's prospects in Europe next year suggesting growth could range anywhere between 3 per cent to 15 per

Thomson's own semiconduc-tor operations continued to be in deficit last year but the In dench last year but the French tompany has managed to sharply reduce its losses in this sector. Thomson's semi-conductor sales, rese from \$195m (£177m) in 1983 to \$300m last year. The French company also saw its European semicon-

ductor market share intrease A record 90 per cent of West German firms police re-cently are optimistic about export prospects this year and 80 per cent expect to maintain or increase their workforce the He expects the book-to-bill German Industry and Trades

Chris Sherwell reports on growing concern among many civil contractors

### Small clouds gather over Singapore's metro

VAST CRATERS pockmark the tion, which is running the pro- interests. city centre. Decorated scarlet-and white hoardings divert traffic and hide ever-deepening tunnels. Day and night, heavy trucks shift earth and equip-

This is Singapore's metro project, or MRT (Mass Rapid that most of the civil contractransit) as it is known locally. Sixteen months after the much neoncerned over changes in the contraction of the civil contraction. publicised initial ground their works and over the very breaking ceremony, there is real prospect that they could more exasperation than excite run over schedule. Both inment, but everything seems to volve time, and, therefore,

be going swimmingly.

One third of Phase I will be completed by the end of the two issues being related—only year, says Communications that they amount to a grey Minister Yeo Ning Hong, and another third to each of the Mr Scott, 53, will teave the contraction of corporation at the end of Mrs. next two years. Construction of corporation at the end of May.

Phase II is being accelerated after little more than two years and the whole 67 km, 42-station in the job. The Daltas Railway project may be expanded. Best Transit Authority recruited him

month both the MRT Corpora- the

ject and most of the contractors were shocked by the sudden resignation of Mr Stewart Scott, the project director. He is to take up a similar joh in Dallas, Texas.

of all, it is coming in well under both for his experience—he the original SS5bn (£1.7bn) previously worked on the Hong kong project—aod for his But if all is basically well, it integrity—contractors agree is not quite as it seems. Last that he has devoutly defenced

MRT

interests.

But the Coporation is clearly unhappy. In a statement published several days after news leaked of his departure, it said it "would have preferred that Mr Scott stayed on to see the project through to a more advanced stage."

To compensate, the Corporation has already set mn a five-

tion has already set up a five-member project committee, and the new project director will join it when appointed. It also says it is confident that the construction programme can be successfully completed on schedule.

The tine is the same over the contractors. Numerous French and Japanese contractors are known to be involved in discussions with the Corporation over payment for changes in their contracts, and to have notified the Corporation about possible delays in completion. The potential delays spring from general factors such as last year's unusually heavy

One contractor has received at least five variation orders. Most have sent in notification letters. But the MRT Corporation, while saying these mathers are the saying the seminature. are strictly confidential sibla to be definitive about the insists the numbers have been normal and are nothing to he alarmed about. A banker comments that variations are any swings made by the RELL.

make additional money.

unexpected soil conditions at the 12 excavation sites being worked oo. One contractor recently had a cave-in; another recently had a cave-in; another could even face losses if costs rise and they have to pay.

In changes in work are the result of orders given by the corporation and have raised questions about whether they are "variations" or "improvements." The final interpretation will decide whether the contractor or client pays.

One contractor has received

Most hid very low to with their orders, and some pared profits or the bottle. They could even face losses if costs rise and they have to pay.

Most hid very low to with their orders, and some pared profits or the bottle. They could even face losses if costs in securing further work on the second phase of the will be above ground and or the securing therefore and they have to pay.

On the securing further work or the bottle rise and they have to pay.

In the bottle functions to the bottle function of the bottle functions to the bottle functions to the bottle functions to the bottle functions to the bottle functions.

Most hid very low to with their orders, and some pared profit.

Most hid very low to with their orders, and they have to pay.

In the bottle functions to the bottle functions.

Most hid very low to with their orders, and they have to pay.

Moreover, most are instituted in securing functions with the project, even though this will be less exciting because and they have to pay.

Moreover, most are instituted in securing functions with the project functions and they have to pay.

Moreover, most are instituted in securing functions with the bottle functions and they have to pay.

Moreover, most are instituted in securing functions with the project functions and they have to pay.

Moreover, most are instituted in securing functions in the bottle functions and they have to pay.

Moreover, most are instituted in securing functions and they have to pay. tion.

None of this is segarded as particularly imusual in a project of this scale, and certainly not on a Singaporean contract.
At this early stage it is impossible to be definitive about the

way, a means for contractors to below-budget competitive bid Corporation's rain and specific problems like theless, in a tricky position. ful claims for, "extras."

#### INTERNATIONAL Ministry of Agriculture, follows PETROLEUM has won a £7m

**Shell wins Soviet deal** 

contract to supply the Soviet Union with agrochemicals, it was announced yesterday. The deal was signed with Soyuz Chlmexport at this week's

BY OUR COMMODITIES STAFF

farm supplies and food process- Soviet agriculture had increased ing and packaging equipment. Monday by Mrs Peggy Fenner, protection trials covering 4,000

up interest in such goods ex-pressed by Mr Mikhail Gorbachev, number two in the Soviet Polithuro, on a vislt to London last year. Shell's deat mainty involves

British agribusiness promotion the supply of synthetic insectiin Moscow, in which more than cides known as pyrethroids. The 30 companies are seeking to sell company said its involvement in greatly in recent years, and that The exhibition, opened on it was currently engaged in crop parliamentary secretary at the hectares of Soviet land.

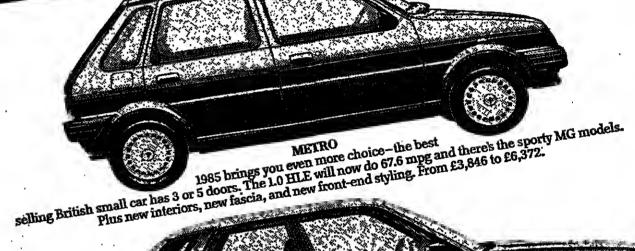
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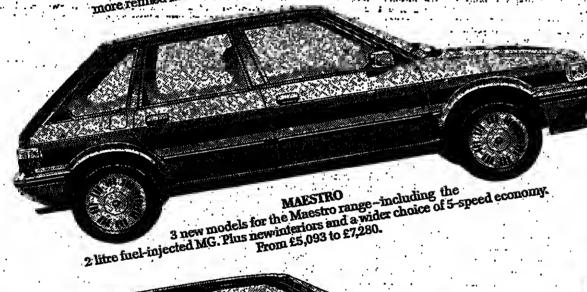
Switzerland aids Media in fraud (%

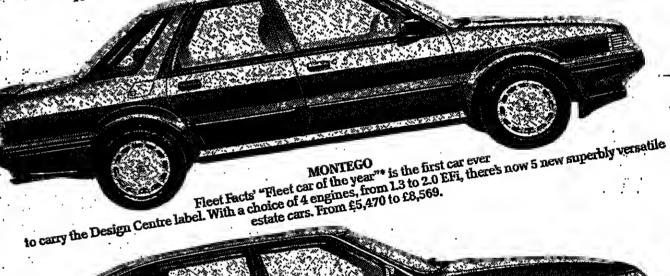
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dealing at 84 prices. Not only are the new '85 models from Austin Rover the best ever, but they're still available at 1984 prices. And as if that wasn't value enough, we've given your local Austin and a dealer the means to offer your massive sorings and impressive part—evolungs.

still available at 1984 prices. And as it that wasn't value enough, we've given your local Austin Rover dealer the means to offer you massive savings and impressive part-exchange allowances even on these low low prices.

But if you're looking for a new car, you'd better act But if you're looking for a new car, you'd but if you're looking for a new car, you'd but if you're looking for a new car, you'd but if you're looking for a new car, you'd but if you're looking for a new car, you'd but if you're looking for a new car, you'd but if you're looking for a new car, you'd but if you're looking for a new car, you

range at these exceptional prices for a limited period. See your Austin Rover dealer now.

DOT Figs: Metro L0 HLE simulated urban cycle 48.1 mpg/5.9L per 100km. Constant 56 mph 67.6 mpg/4.2L per 100km. Constant 75 mph 46.4 mpg/6.1L per 100km. Maestro 1.3L (5 speed): Simulated Urban Cycle 37.0 mpg/7.6L per 100 km. Constant 56 mph 58.2 mpg/4.9L per 100 km. Prices correct at time of going to press excluding number plates and delivery. \*Fleet Facts December 1984.

### Training centre cuts to go ahead despite protest

BY ALAN PIKE, INDUSTRIAL CORRESPONDENT

THE GOVERNMENT is to go ahead with plans to close 29 of Britain's 87 skillcentres which provide training schemes under the Manpower Ser-

retary, authorised the closures yesterday despite a sharp division of opinion among members of the MSC. He told the House of Commons that the reorganisation posals would eliminate a waste of crease the funds available for other

training schemes. Mr John Prescott, Labour's employment spokesman, said the Government was forcing the closures through against the wishes of a majority of MSC commissioners.

Last month the nine part-time MSC commissioners divided five to four in favour of endorsing the closure proposals. Since then, however, one of the five - Dr Malcolm Green, a local authority member of the commission - has written to Mr King saying he has changed his mind and believes the entire skill-

Mr Ken Graham, assistant general secretary of the Trades Union Congress (TUC) yesterday wrote to

Union leaders and Opposition resources and substantially in- MPs were furious last night that, given Dr Green's change of mind, Mr King had asked the MSC to implement the proposals without giving it a chance to reconsider

> sented the plan to the commiss ers, say that without the closures the Skillcentre Training Agency is in danger of losing £52m by 1987-88. And that much of the existing skillcentre capacity is based on outdated skills which industry will never

Skillcentre places will decline Strategy training opportunities will from 17,340 to 13,230. But a 300- be substantially increased.

strong mobile instructor force is planned to take training into the workplace. Up to 950 Civil Service

Mr King said yesterday he had asked the MSC to ensure that no individual skillcentre closure took place until appropriate alternative training provision was available. He called for full consultation with staff and trade unions, saying that compulsory redundancies should be

avoided where possible. Opponents of the closure plan include Civil Service union leaders and Mr Ron Leighton, La-bour chairman of the House of say they fear that it will lead to the run-down of the entire skillcentre

Mr Prescott, described the plan as a "kick in the teeth to 1.5m longtraining courses," but Mr King and MSC officials argue that under the commission's Adult Training

### De Lorean liquidators to sue

BY JOHN GRIFFITHS

LIQUIDATORS of the De Lorean iary in Belfast have followed the UK Government in issuing a writ against the De Lorean auditors,

Arthur Andersen. The writ, issued in the High Court in Belfast, alleges "breach of contract, negligence, misrep-rescotation and breach of duty by the auditors in handling the De Lorean accounts and financial statements. The writ alleges that as a result the company was allowed to incur debts and dissipate its resources in a manner

prejudicial to its creditors. The liquidators, accountants Pannell, Kerr, Forster, are seeking damages adequate to cover creditors' losses. These amount to nearly 50m by the preferred creditor, the Government, and £40m by unsecured creditors.

Last week the Northern Ireland Department of Economic Development filed its own suit in

New York seeking \$270m (£248m) in damages against Arthur Andersen, the world's largest ac-

The suit alleged negligence in failing to uncover accounting irregularities and that the group practised public accounting functions "fraudulently and with gross incompetency." Arthur Andersen subsequently issued a statement in London rejecting

the allegations. Mr Patrick Raly, one of the joint Equidators, said last night claims from unsecured creditors to date totalled £34m. These claims came from 700 individual creditors, while De Lorean's books showed that a total of 2,000 were owed money by the compa-

He said additional claims could add a further £5m, "but the situation has been fairly chaotic because some of De Lorean's suppliers were lorced out of busiThe largest single unsecured

creditor was Renault, which supplied the De Lorean's engines and transaxles, and was owed about £12m. Rensult has since been paid by the French equivalent of the UR's Export Credits Guarantee Department which has assumed Renault's place in the creditors' queue,

The other principal creditors are British Steel, owed about \$2m; GKN, owed \$700,000 for components; Goodyear Tyres, and International Paints, each ed about £500,000; and Rockwell International, owed £325,000

All the Belfast manufacturing company's assets were charge-able to the Government, which provided nearly £77m for the project. So far the joint receivers, Sir Kenneth Cork and Mr Panl Shewell, of Cork Gulley, have recovered just over £14m.

BRADBURY TECHNICAL SERVICES

LIMITED

NOTICE IS HEREBY GIVEN pursuant to Section 253 of the Companies Act 1948 that a meeting of the Companies Act 1948 that a meeting of the Companies Act 1948 that a meeting of the Caditors of the above-named Company will be held at 68 Queen Street. Sheffield SI 1WR, on Monday the 11th day of March 1985 at 11 o'clock in the forenoon, for the purpose of having a full statement of the position of the Company's affeirs, together with a List of Creditors of the Company and the estimated amount of their claims, laid before them, and for the purpose, if thought fit, of nominating a Liquidator and of appointing a Committee of Inspection.

Notice is also given that, for the purpose of vobing. Secured Creditors must (unlike they aurender their security) fodge as 58 Queen Street. Sheffield SI 1WR before the Meeting a Statement giving particulars of their security, the date when it was given, and the value at which it is assessed. Dated this 18th day of February 1985.

By Order of the Board of Oirectors.

P. F. MARSHALL Company Secretary

BRADBURY DECORATORS (YORK)

BRADBURY CONSTRUCTION LIMITED NOTICE IS HEREBY GIVEN pursuemt to Section 293 of the Companies Act 1948 that a meeting of the Companies Act 1948 that a meeting of the Companies Act 1948 that a meeting of the Company will be held of 68 Queen Street. Sheffield S1 1WR, on Monday the 11th day of March 1985 et 11 o'clock in the forence), for the purpose of having a tuil statement of the purpose of having a tuil statement of the Company and the securities of the Company's effairs, together with a List of Creditors of the Company and the securities of the Company's affeirs, together with a List of Creditors of the Company and the securities of the Company's affeirs, together with a List of Creditors of the Company's affeirs, together with a List of Creditors of the Company's affeirs, together with a List of Creditors of the Company's affeirs, together with a List of Creditors of the purpose of voting, Secured Creditors must (unless they aurrender their ascurity) lodes at 68 Queen Street. Sheffield S1 1WR before the Meeting of Statement giving particulars of their ascurity, tha dare when it was given, and the value at which it is assessed. Oated this 18th day of February 1985, By Order of the Brend of Directors P. F. MARSHALL Company Secretary

Legal Notices

#### Company Notices

BRAZILIAN EQUITY HOLDINGS S.A. An extraordinary general meeting of sharmolders will be held at 15 rue Albringen on 8 March. 1385 at 8.00 a.m to deliberate on the following Agenda: T. Amend the Articles of Incorporation, 2. Acottomal appointments to the by with Bandue Generale Os Leswenboarg S And 27 Avenue Monterey.
Lusembourg.
Searce or registered shareholders
should lodge their proxies with the
Company three business Says before
the meetad.
Conta of the New Articles of
Incorporation or have available for insection. Regis House King William
Street London ECAR BAR, or may
be purchased of mail at a Cost of \$2.

BY ORDEP OF THE BOARD

SWEDISH STATE HOLDING COMPANY As a result of the estraordinary observal meeting held in Sweden on December 3, 1984, the Oame of the issuer has been changed from Estat-Rortag As to Procordia Astrobulas.

Tae Gonds will settler be stamped not be extanged for new Bonds, and the control of the

URQUIJO INTERNATIONAL

U.S.\$30 MILLION FLOATING RATE NOTES DUE MARCH, 1988 DUE MARCH. 1986

We inform the Bondholders, that in accordance with the provisions of the allowed by the provisions of the large state of the larg IN THE MATTER OF THE COMPANIES ACT 1948 AND IN THE MATTER OF CREATIVE CARDS LIMITED RINGSLEY CARDS LIMITED RINGSLEY CARDS LIMITED

NOTICE IS HEREBY GIVEN DURING E

of the ebove compenies will be held
at 1 Werdrobe Place, Carter Lane,
St. Peul's, London, ECA, on Thursday,
7 March, 1985, at the following times:
Creative Cerds Limited 10.00 e.m.
Apperley Cards Limited 10.00 e.m.
Kingsiey Cards Limited 11.00 e.m.
To be followed by e Generol Meeting
of the Creditors at the following times:
Creative Cards Limited 10.15 e.m.
Apperley Cards Limited 10.5 e.m.
Kingsiey Cards Limited 11.75 e.m.
Xmas Gallery Limited 11.75 e.m.
for the purpose of receiving an eccount
of the Uquidators' acts and deslings
and of the conduct of the winding on
to date.

and of the transfer of February, 1986.

Oated this E day of February, 1986.

A. J. ARMITAGE.

B. MILLS,

Joint Liquidators.

BRADEURY BUILDING AND DECORATING SERVICES LIMITED NOTICE IS HEREBY GIVEN pursuant to Section 293 of the Companies Act 1948 that a meeting of the Companies Act 1948 that a meeting of the Companies Act 1948 that a meeting of the Companies Act 1958 at 10 octock in the forenoun, for the purpose of having a full aterament of the pusition of the Company effect, together with a Ust of Creditors of the Company and the astimated enfount of their claims, leid before tham, end for the purpose, if thought fit, of neminating a Liquidator and of appointing to Committee of Inspection.

Nodce is also given that, for the purpose of voting, Secured Creditors must furfess aboy surrender their assurity loads at 65 Queen Street, Shaffield SI IWR before the Meeting a Statement giving particulars of their security, the data which it is seessed. Oated dris 18th day of February 1955.

By Order of the Board of Directors by Order of the Board of Directors P. P. MARSHALL Company Secretary

IN THE MATTER OF THE COMPANIES ACT 1948 TO 1881 AND IN THE MATTER OF TAILMAST LIMITED Registered Office: 216 Strand, London WCZR 10G NOTICE IS HERREY GIVEN screening to Section 285 of the Companies Act. 1948, that a Meeting of the Creditors of the above named Company will be here for the purpose mentioned in Section 294 at 218 Strand, London WC2R 1DG on Treeday, 12th March 1985 at 11,00 and the sec of the Salo Act. Dated this 13th Oay, Order of the Board N. P. JEHNEY, Director

NOTICE IS HEREBY GIVEN, oursuant to section 293 of the Compenies Act 1848, that a Marting of the Craditors of the above-named Company will be held at Connaught Rooma. Great Queen Street, Landon, WCZ, on Tuesdey the Sto day of March 1985, at 12 moon, for the purposee mentioned in sections 294 and 295 of the said Act.

Getal this lith day of Fobruary 1985. By Order of the Board, G. SALT.

Orractor.

### Chairman named at Royal Dutch

ROYAL Dutch/Shell yesterday named the men who will lead the world's second largest oil group, af-ter Sir Peter Baxendell retires as chairman.

The position of chairman of the joint committee of the Royal Dutch! Shell Group will return to the Netherlands, with the appointment of Mr Lo van Wachem, the president of Royal Dutch to the post. Mr Peter Holmes, who has been managing director since 1982, will become vice chairman of the joint commit-

The two publicly quoted companies, Royal Dutch and Shell Trans port and Trading, have respectively 10 per cent and 60 per cent interests in the companies known collectively as Royal Dutch/Shell

Mr Holmes, 52, should have eight years ahead of him as chairman of Shell T and T. Mr Rolmes is a Middie East expert, having spent 26 years with Shell in the region, including spells in Sudan, Libya and the Lebanon. In 1965 he became general manager of Shell Markets (Middle East).

Mr Holmes gained experience of oil exploration as personal assistant to Shell's exploration and produc tion co-ordinator in 1969.

In 1981, Mr Holmes became presi dent of Shell International Trading Company and a director of Shell International Petroleum.

□ DOVER seamen are threatening to disrupt ferry sailings to the Con-tinent today in protest against the proposed closure of the Dreadnought National Seamen's Hospital Greenwich, south east London.

Leaders of the National Union of Seamen at the port said a 12-hour strike starting at 7am was expected mainly to affect Sealink services to Caluis. There was little indication of the likely level of response, nor of whether Townsend Thoresen sailings to Zeebrugge, Calais and Bouogne would be hit.

The strike is in part of a day of action in protest against the proposed closure of the hospital and transfer of services to St Thomas's Hospital, Lambeth, south London.

UNION leaders hope that a pri vate parliamentary Bill designed to give shareholders greater control parties will come before the House of Commons today.

The Bill, presented by Mr Derek Fatchett, a Labour MP, is scheduled for a second reading. It is simed at bringing rules for such donations more into line with those applying to trade unions.

Companies would have to establish political funds through a ballot of shareholders before they could give money to a political party. Shareholders would be allowed the same rights of opting out of paying to such funds as trade unionists.

ORDERS for machine tools for the home and export markets in the three months to last November rose by 28.5 per cent over the preceding last negotiating session with Mr three-month period, according to MacGregor to agree the final terms the Department of Trade and In- of the new proposals.

Export orders were 40.5 per cent higher than in the preceding period and domestic orders were 16.5 per cent higher. Sales to home and export markets also increased, by 22.5 per cent and 22 per cent respective-

II AN ENTERPRISE trust south of Glasgow is looking into the possibility of housing the Union Carbide Company's gas mixing plant which was earlier this month refused planning permission by Livingston

new town, near Edinburgh. Livingston rejected planning percern about the disaster in Bhopal, central India, in December when more than 1,400 people died after toxic gas had leaked from a Union Carbide plant.

☐ TAKEOVER bids last year more than doubled in value over 1983 to reach a record of £5.24bn, according to the Department of Trade and In-

Last year, 444 companies made successful bids for 507 companies. This compared with 1983 when 391 companies acquired 447 other com-panies in deals worth a total of

HEAVY fire damage in December last year, amounting to £48.8m, resulted in total fire damage costs in 1984 reaching £553.8m, the second highest bill on record, according to the British Insurance Asso-

CI AN OFFSHORE oil drilling rig service base is to be set up in Shetland, the second one in Scotland to serve the new surge in oil explora-

II MR NIGEL LAWSON, chancellor of the Exchequer, was challenged to deny reports that he was considering imposing VAT on fuels in order to raise money to meet the costs of the miners' strike.

Mr Tony Blair, Labour's Treasury spokesman on VAT, said it was esti-mated that the Government could raise up to £1.5hn through adding VAT to domestic electricity, gas, coal and oil bills.

Philip Bassett and John Lloyd on the collapse of the TUC's peace initiative

### NUM prepares to fight on alone

in the pit dispute have been of great even momentous importance. They have seen the Trades Union Congress (TUC), in the shape of the sever-man liaison group charged with responsibility for monitoring the 11-month-old strike, divide sharply and bitterly from the leaders of the National Union of Mineworkers (NUM) whom they had striven - unsuccessfully - to help.

At the same time, the TUC and the Government - particularly Mr Peter Walker, the Energy Secretary have moved more closely together than possibly at any time since Mr James Prior was Employment Secretary in 1979-81.

Over last weekend, the NUM executive had approved a renewed ap-proach to the National Coal Board (NCB) and the Government on the basis of modifications to the NCB's fased to shift, Mr Arthur Scargili, the NUM president, asked the TUC seven on Sunday night to try to get changes to the board's proposals.

The succession of events moved to a different plane when Mr Norman Willis and the six other memhers of the TIM's liaison committee met the Prime Minister at Downing Street on Tuesday.

The TUC went to see Mrs Margaret Thatcher convinced that it had the NUM's agreement that what they were talking about was not an agenda for forthcoming negotiations, but a final settlement. While there would be talks on other issues - pay, an amnesty for miners sacked during the dispute and the overtime ban - there would be no

Seizing his chance early in the MacGregor - the NUM executive meeting. Mr Walker asked Mr Nor- accepted Mr Scargill's explanation man Willis, the TUC general secrethat there were no new initiatives, tary, what he considered the meet- he had heard nothing, and they ing was there to discuss. Mr Willis should all leave and just report replied that it was there to talk back in time for yesterday's delabout terms for a final deal on the egate conference. central issue. He offered the sug-gestion that each of the union lead-the TUC's front office that the NUM ers should indicate individually that executive was leaving in sombre was the case. Each did so, nodding mood. Mr Willis and his colleagues agreement to Mrs Thatcher

Mr Walker then asked Mr Willis whether it was the TUC's view that had sent the executive away. the NUM understood the Downing sought their individual endorsement. Again, each nodded their

Mrs Thatcher accepted the TUC's over company donations to political | point that there was a glaring conautumn with the pit supervisors' union Nacods, which was supposedly sacrosanct. From that point, it than the previous proposals from was clear that there would be the board.

changes in the NCB document. The lengthy discussions which followed with Mr Walker and with Mr Ian MacGregor, chairman of the NCB, were aimed at settling the changes. In this period, the TUC tried to keep Mr Scargill and the NUM informed but were unable, despite repeated attempts, to con-

Finally, on Wednesday morning, Mr Willis led the TUC team for a



**NUM's rejection** 

Senior TUC officials remained behind at Congress House, the TUCs Landon beadquarters, to explain to Mr Scargill and the NUM executive that Mr Willis and his colleagues were again talking to Mr MacGregor, and so the NUM should just sit right. NUM leaders now claim that they

understood from the TUC that they would have a long time to wait. They coupled this with a - completely unique - report, supposedly relayed from the House of Commons through one of the NUM's sored MPs, that the TUC were to meet Mr MacGregor again in the

Members of the NUM executive were angry that the TUC was "again" allegedly treating them in what they saw as a cavalier and high-handed fashion.

Even now, TUC, NCB and Gov-ernment officials can hardly credit that - efter extensive press, televisinn and radio coverage of the further discussions on the principal Downing Street meeting, and the issue of pit closures.

Downing Street meeting, and the issue of pit closures.

were appalled and angrily ques-tioned Mr Scargill about why he

Mr Scargill protested innocence Street talks were to be about a final and claimed he was not trying to do agreement. Again Mr Willis said it anything unhelpful. But the inciwas and, turning to the three union dent formed a backdrop to the leaders on either side of him, again TUC's anger later when the NUM rejected the NCB's latest proposals.

Mr Willis and his team then put the latest NCB document to Mr. Scargill, Mr Peter Heathfield, the point that there was a glaring con-tradiction between the NCB's pro-Mick McGahey, the union's viceposals, supposedly non-negotiable, president Mr Scargill flipped quick-and the terms of the settlement last by through the document and tald ly through the document and told the TUC that his first reaction to it was that it was 100 per cent worse

> Apparently taking his one from Mr Scargill's stance, Mr Heathfield, chaorbing the document more slowly, then pushed it away from him while still only halfway down the

For the NUM to have rejected the document as not what it had wanted would, for the TUC, have been understandable. But Mr Willis was genuinely angry when Mr Scargill rejected it as being worse than the previous proposals.

The NUM executive reconvened at Congress House at 5pm. They



Scargill: NCB proposals

'100 per cent worse' were joined round the horseshoe table in the council chamber on the fifth floor by Mr Willis and his six Mr Willis told them that the

available. The changes had been awa hammered out at the highest possi-rend ble level - with the Prime Minister H.

the TUC leaders involved.

Mr Willis did not recommend the document although the seven had mously rejected the terms. toyed with the idea of doing so, and Mr Mick McGabey, the vice prebe emphasised that the decision ident repeated his condemnation of was that of the executive. But, he many TUC leaders as dishmoun-

would form the central part of the some honour.

changes? Mr Taylor, assuring Mr vice), to the board to everyone in-Willis he meant no disrespect, said stead of the working class, that all the negotiations had been Other delegates expressed their done through intermediaries - the

The TUC general secretary reeated that the document was final: battery of cameras, the young delit was an agreement. Another ex- egates roared their approval when ecutive repeated the question were he parried a question on What hapthe TUC leaders certain it was non- pens now?" with "the strike goes

Again, Mr Willis said it was not mgh he told them that the board had agreed to offer clarification, diffight must now be carried to the rectly to the NOM; if the union's of working coalfields, that the rank ficials cared to call the board.

The TUC seven then withdrew, over the heads of their leaders and Mr Scargill told his executive that that any future negotiations should the document which the TUC had not involve the "middle men" of the brought back was worse, not better, than the board's original document. a number of previously obscure is strike which everyone but its lead-sues, made the harshness of the ers believe is effectively over.

There was no replay at this meeting of the discussions of last week-end, where Mr Scargill found him-self opposed by his colleagues on the need to compromise. A number of the leading left-wingers—such as Mr Taylor and Mr Emiyn Williams, general of South Africa's black minthe South Wales president - were mandated by their area conferences

to continue the dispute. At least some of the right-wing ing paid up to R3,000 (£1239) a ers on the executive appear to be month, about eight times more than taking the cynical position that black workers.
they will allow Mr Scargill to lead We are concerned that members the strike into a hopeless conclu- of the British National Union of

ity - have been on strike for 50 bitter weeks. All of the phrases stresster weeks. All of the phrases stress-ing management's right to manage and the board's duty to run an eco-nomic industry are spelled out in the document with painful clarity. While some of these are self-evidently part of daily industrial practice, their reiteration at this time amounts in their eyes to a humilia

. All of the executive had qualities and many of them expressed them. But in the end, none could find Kin them to argue strongly for accepting the document - the moderates were given nothing to hang on to.
Once the decision was taken; by
spra on Wednesday, the regult of

vesterday's delegate conference amended document was the best gill, in his element and with re-they could get no further changes newed vigour, sold the delegates were, in the view of the TUC seven, that they were being asked to sign away rights they could never so

. He said that the content of the in Downing Street - and there was discussions between the TUC seven no higher to go. That, Mr. Willis and the Government and NCB were stressed, was the judgment of all not made known to the NUM officials until yesterday, once it was clear, the executive had unani-

repeated, the TUC had nowhere else to go, no one else to try.

He also emphasised that the document was non-negotiable and bad tried and failed—they had kept

Among the speakers, Mr. Jack Mr Jack Taylor, the NUM York-Collins, the Kent area secretary, shire area president, asked Mr Wilsingled out the TUC seven for lis if he had understood him corcharges of dishonour. Why had rectly; would the NUM executive they he asked gone to the Governhave no right at all to negotiate ment to Acas (the conclination ser-

willingness to carry on the struggle. Later, as Mr. Scargill strengeled to give a press conference in from of a

The conference agreed that the and file must again be appealed to

TUC and Acas. The NUM, last night, has incredi-It had, by sharpening and clarifying bly launched itself once more into a

• Six hundred British minework ers, many of them made idle by the strike, have been recruited to work in South African coal mines in the post six months, Reuter reports.

Mr Cyril Ramaphosa, secretaryers' union, said the UK miners were being kined to meet a shortage of skilled white miners. They were be-

black workers. sion so that he, not they, receive the Mineworkers, a union we support, blame for it.

Probably more important than take jobs away from our workers, these considerations was the tough-

This advertisement appears

February 22, 1985

Luxembourg

### **EUROPEAN INVESTMENT BANK**



### DM 300,000,000 7½% Deutsche Mark Bearer Bonds of 1985/1993

Offering Price: Interest: Maturity: Listing:

Arab Banking Corporation.-Daus & Co. GmbH

Bank für Gemeinwictschaft

Berliner Handels- und Frankfurter Bank

Bayerische Vereinsbank

Dantsche Girozentrale

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71/2 % p.a., payable annually on February 23 February 23, 1993

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Dresdner Bank

Westdeutsche Landesbank Girozentrale

> Bayerische Lendesbank Berfiner Bank

Hessische Lundesba I andeshank Spar Gla

J.H. Stein :

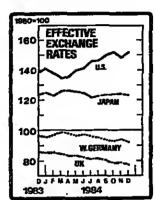


#### Dollar depreciation of 20% assumed

THE institute is essuming a depreciation of the dollar of about 20 per cent in the second balf of this year. It says this is likely because of the continuing rise of the U.S. deficit on its current account of the balance of payments.

The institute says the capital linflow to the U.S. needed to balance the current account deficit results largely from the fact that U.S. banks are no looger investing abcosd. For this reason it does not think a redden collarse of the dollar is anden collapse of the dollar is ilkely although it says: "The possibility can certainly not be excluded." It expects a gradual erosion of the dollar's value by the end of 1986.

In general terms it says 1984 was e much better year for the



world economy than most observers, including itself, had ment since 1979 is mainly due to a lack of overall demand in director of the Institute of the "natural" rate of unember economy, according to e Economics and Statistics at the "natural" rate of unember economy, according to e Economics and Statistics at the "natural" rate of unember economy, according to e Economics and Statistics at the "natural" rate of unember of the "natural" rate of unemb to a lack of overall demand in the economy, according to e study in the review by Professors Richard Layard and Steve trying to cut through the lation in the decade 1955-66 to Nickell.

"fruitless dehate" about 11 per cent (about 2.5m) whether unemployment can be in the period 1980-83.

The economies of industrialised countries grew by 44 to 5 per cent with world trade rising by more than 9 per cent in volume terms. This was the largest rise for et least eight years and much more than generally expected.

At the same time the Institute says developing countries probably achieved a growth rate of about 34 per cent, easily their highest since 1979.

However, in Europe cautious fiscal policies are expected to continue to restrict economic growth to about 21 per cent this year and next, with a general slackening of growth among industrialised countries as a whole to about 3 to 3} per cent this year and about 21 per cent

### Pit peace is key to forecast of 3% economic growth

THE UK economy will grow by about 3 per cent next year, but about one-third of this rise depends on bringing the coal strike to an end in the next month or so, the National Institute of Economic and Social

Institute of Economic and Social Research says in its latest review yesterday.

The institute predicts that inflation will rise to about 8; per cent by the end of this year, and will atay about the same in 1986. Unemployment is predicted. 1986. Unemployment is pre-dicted to continue its steedy rise, reaching 3.4m (adults) by

the end of next year.

The growth of the economy is likely to falter in 1986 when activity will increase by only about 1 per cent. the institute

In its assessment, the institute comments: "The conflict between low limitation and high employment appears more acute than ever. Some transitional rise in unemployment was prohably accepted as an unfortunete, but unavoidable, side-effect of the policy against inflation.

"However, it cannot have heen expected that the process of disinflation would be so long drawn out and that unemploy-ment would rise so high." The institute says that the better performance of the U.S. economy owes a lot to the strategy of running an easy fiscal policy with a tight more-tary policy—the opposite to the strategy pursued in the UK.

They do not believe, however, that it is open to the Government to make employment grow without limit by "pump-

This is because they believe

there is a natural level of de-mand in the economy, above

which inflation will start to

This inflationary constraint is

related to the non-accelerating inflation rate of unemployment,

sometimes called the natural un-

employment rate, which represents the minimum propor-

tion of the workforce which must be unemployed to prevent

inflation from accelerating. In their study, Prof Layard, head of the Centre for Labour

ing up demand."

accelerate.

THE INSTITUTE says that more than 22m days were lost iast year as a result of the last year as a result of the miners' strike, which was the bighest number in any industry since 1926. Even though there were no major disputes in other industries, the number of working days lost in the economy was the

It estimates that the total effect of the strike would be to reduce national output by about £2.5bn in 1980 prices. uivalent of about 1 per cent of total output. The effects of the strike are

NATIONAL INSTITUTE FORECASTS

(Percentage change year on year unless otherw

second bighest since the war,

ports of oil £1bn higher than they would have heen, and exports of oil reduced by £600m.

The effect on the public sector borrowing requirement is estimated at about £2bn.

estimated to have reduced Britain's trade surplus by about £2bu last year, with im-

(1.4) (1.4) (4.0) (2.1)

of oil and coal.

It warns, however, that last year, British costs per unit of output appear to have been increasing relatively fast, largely slow the growth rate of the content. output appear to have been increasing relatively fast, largely because of high growth in average earnings.

Increase a growth rate or increase of high growth in average earnings.

Increase in the growth rate or increase in the expected increase i

imports have grown even faster than exports, with a rise in total imports of 9½ per cent last year. more competitive as a result of almost three times the rate of sterling's recent fall. increase of domestic demand. Imports of manufactured goods rose by 9 per cent, spread over a range of different goods.

The institute says a rise uf imports would not matter if it were matched by increasing exports, as was the case broadly Sireet, Smith Square, London SWIP 3HE.

gests that Mr Nigai Lawson, the Chancelior, will heve little room for tax cuts in his Budget on March 19, and might indeed have to increase taxes if he wished to hit the borrowing tar-Percentage rise in volume, get suggested in the last Budget.

Austria Belgium

Sweden ...... Switzerland .....

The institute says, however, that a much preferable course would be to follow the U.S. example of loosening fiscal policy by cutting taxes or increasing public spending public spending.

public spending.

In its detailed commentary on the British economy, the institute says that exports were slow to respond to the expansion of world trade which started in 1983. However, they rose by about \$\frac{1}{2}\$ per cent last year in spite of the miners' strike which increased imports of oil and coal. between 1970 and 1980. How-ever, it says that since then imports of manufactured goods have tended to rise faster than of oil and coal.

W. German shopfloor skill levels 'superior'

THE CENTRAL reason for the wide productivity gap between British and West German shop-British and West German shop-floor workers is found in e iack of akilis and training in British manufacturing companies rather than in a sbortage of modern machinery, the institute says. A study of a number of com-parable companies in both coun-

tries producing simple metal products such as coil springs suggests that West German output per employee is on average more than 50 per cent higher than in Britain. Comparison of the

tion processes in the different companies, however, found no indication that British com-panies were suffering greatly because the machinery they

because the machinery they used was out of date.
The West German companies did tend to employ more technically sophisticated machines and had extended the automa-tion process further than their British counterparts.

But the study indicated that the main reason for their better

performance was the much higher standard of technical expertise among shophoor workers in West Germany.

The study highlights in particular the differences at foreman

level, with the West German companies insisting on a much higher level of technical and

supervisory skills.

It also suggests that unskilled workers in West Germany are expected to work to higher standards and have to expect the standard of the s dards and have greater competence in operating machinery. The institute says that among

the companies surveyed, more than 50 per cent of shopfloor workers in West Germany were trained to craftsman standard compared with only 25 per cent in Britain.

This higher level of skills was translated into greater efficiency in many ways.

Maintenance of machinery mong West German companies was vastly superior, cutting pro-duction losses through hreak-downs, machines tended to be used to their full technical capacity and those breakdowns which did occur were more quickly remedied.

The main focus of the insti-tute's work was on the shopfloor, but it also highlights the greater engineering skills found among management in the West German companies which may have encouraged them to opt for more sophisticated production processes. .

The institute concludes that the results of the survey sug-gest that government subsidies aimed at encouraging companies update their technology might be better spent on increased training facilities. However, the broad implica-

workforce and reversing the current trend towards fewer opportunities for craft and technical training in the engineer-

#### (2.0) (1.6) (5.2) (7.2) (7.7) (5.0) (3.1) GDP (output) Fixed investment Retait prices (fourth quarter) Unemployment (adults, m, fourth quarter) Balance of payments current eccount (fbn) PSBR (fbn) financial year Exchange rate (Trade weighted, 1975=100) Figures in parentheses from November forecast. GROWTH OF GDP IN OECD COUNTRIES (Percentage rise in volume, annual rate) 5.5 5.0 4.3 1.9 1.8 2.6 2.8 1985 (forecast) 1986 (forecast)

THE STEEP rise of unemploy- Economics at the London School reletion to demand.

explained by Keynesian or

Much of this debate, they say, is founded on the assumption that prices are set by a process

of perfect competition. Their work is based on the idea that

classical theories.

It says that the Government somewhat looser policy.

and confirms our view that the appeared to have countered a substantial fall in the sterling exchange rate last year counter the fall. This is a struck." in the interest of running a serious setback for the strategy

The reduction of inflation in

recent years can be explained

ployment has been higher than the "natural rate." Similarly, the increase in inflation between 1967 and 1974 can be explained

by the fact that actual un-

the fact thet actual unem-

Reports by Max Wilkinson

and Philip Stephens

companies set price levels at by the fact that actual un-the "best they can think of" in employment was somewhat

Growth in employment 'constrained' by natural level of demand

25%

20%

the period.

The institute's forecast sug-

MANUFACTURING/

helow the natural rate, which

is estimated to he 4 per cent for

Between 1975 and 1979 wage

inflation came down, even though unemployment was

helow the estimated natural rate for the period. The authors.

suggest that this may have been

the result of incomes policies

They look at 15 possible

ESTIMATES OF THE "NATURAL" BATE OF UNEMPLOYMENT (MALES ONLY) Percentage of workforce

1955-66 1967-74 1975-79 1980-83 4.12 3.78 Natural" unemployment rate Actual unemployment rate .....

significant effect. They dismiss ranted " by the state of the the idea that the advance of economy, might lead to a rise in technology has had much effect unemployment. If wages, In and they see little relationship between levels of direct taxa—

They say that the rise in net tion and unemployment.

They think the relationship between inflation and high nominal interest rates and em-ployment could be important, although the evidence is "somewhat tentative."

They are also sceptical whether slower rates of increase in productivity have influenced unemployment, though they

think this is possible.

However, they find that increased social security benefit did contribute to the rise of unemployment, perhaps by about 0.4 percentage points (about 90,000).

They think that easier access

in the natural rate of unem- to social security and changed ployment during the last 30 attitudes to "living off the state" may have had a more many of the factors often thought to have caused high

unemployment had comparatively little influence.

They say that the rise in net import prices after the first oil shock in 1973-74 was just such a factor. They believe thet higher and rapidly increasing import prices in the late 1970s pushed imemployment up by 1 percentage point more than is would otherwise have been.

But they add: "Since then however, the relative price of Britain's exports has fallen, which has tended to reduce unemployment."

On the subject of incomes policies, they say: "It is clear from our analysis that the process of real wage determination is the key to understanding the

ployment."
They add: "Typically, incomes policies have been thought of significant effect. as attempts to reduce inflation. They also find evidence that at given unemployment levels. as attempts to reduce inflation they also find evidence that at given unemployment levels. It is the study is that more high unemployment because people of as ways of attempting to towards improving the skills of become used to being unreduce the natural rate of the vast bulk of the British unemployed and may lose skills.

# MONEY Of the experts who offer advice, one stands apart

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CHRONICLE Money.

Dight on the money.

### They find little evidence that employment protection laws or the economic shocks, including oil price rises, have had a employed and may lose skills. The professors say that any factor which reduced the long enough to show whether amount of consumption to this is feasible on a long term basis, they say. FT COMMERCIAL LAW REPORTS

Stamp duty payable on portfolio switch ARBUTHNOT FINANCIAL SERVICES LTD v COMMISSIONERS OF INLAND REVENUE Chancery Division: Mr Justice Walton: February 14 1985

SEPARATE PORTFOLIOS coming within the amhit of a general unit trust scheme each represent a single nult trust scheme; and the conversion of units from one portfolio to another is a "transfer" subject to stamp duty, in that the bolder surrenders his original units to the managers for a consideration before he acquires the new ones. Mr Justice Walton so held

when dismissing an appeal by Arbuthnot Financial Services Ltd from an assessment to stamp duty made by the Commissioners Ltd from an assessment to stamp duty made by the Commissioners of Inland Revenue, in respect of the conversion of units from one portfolio to another within the same general unit trust scheme. Part VII of the Finance Act 1948 by section \$7(3) provides: "Where e person . . . requires the . . . managers under a unit trust scheme to treat him as no longer interested in a unit under tho scheme and does not . . . require them to treat another person as eotitled to that unit, he shall be deemed for the purposes of this Part of this Act to transfer that unit to the managers, and any instrument whereby he gives the authority or makes the requirement shall be deemed for the purposea of the enactments relating to stamp duty to be a conveyance or transfer of the unit on sale."

HIS LORDSHIP said that Arbuth-not were managers under a trust deed, and Williams & not were managers under a trust deed, and Williams & Glyn's were the trustees.

The trust deed established a unit trust scheme with a number of aeparate portfolios with investments in the UK, U.S., Japan, Singapore and Malaysia. Canada, Australia, Hong Kong and a deposit fund.

Any person who invested in the Arbuthnot Portfollo Trust obtained a certificate as to the number of units be held in a particular portfolio, and from time to time he received e distribution of income from in-

tribution of income from in-vestments comprised in that

vestment, he could surrender his interest in the portfolio to the

managers, who would pay him the value of his units. They the same unit trust scheme and the participation in any therefore, he said. Intercom profits or income arising from could not be treated as "no longer interested in a unit."

The question was, what pro-The bolder of units in one

The bolder of units in one portfolio could elect to convert the whole or part of them into units of another portfolio.

In the present case Intercom Securities held 980.39 units in the Japanese fund, for which it had paid £500. It wished to tracefor the units in the them. transfer the units into the UK portfolio.

The managers worked out

according to formule that the Japanese units, et 45.3p per unit, were worth £444.11. That, at Japanese units, et 45.3p per unit, were worth £444.11. That, at 47p per unit, produced \$44.91 units in the UK fund.

As a consequence, the Commissioners of Inland Revenoe demanded stamp duty pursuant to section 57(3) of the Finance Act 1946.

The facts gave rise to two questions: first, whether the general scheme of the trust deed constituted e single scheme, or whether it constituted as many unit trust schemes as there were portfolios; and secondly wbether, irrespective of the answer to thet question, the actual conversion which took place fell within the scope of section 57 (3).
Mr Langan, for Arbuthnot, said that subsection (3) should

be read with subsection (2). Read together, he said, the two subsections covered cases in which, et the end of the day, tho former unit trust bolder was out of the particular unit trust sliogether.
Subsection (2) provided that where the unit holder required

the managers to treat another hy conveyance or scale. So, under subsection (2) the unit passed to a third party and under subsection (3) it was transferred or surrendered to

the managers.

Mr Langan argued that subsection (3) did not fit the facts of the present case because at the end of the day intercom

under the scheme" within the meaning of subsection (3). The two subsections were not necessarily dependent one on the other; nor were they intended between them to provide the kind of pattern for which Mr Langan argued. Con-struction of subsection (3) was not inhihited in any way by whatever might be found in sub-

whatever inght he round in sub-section (2).

It was clear from the opening words of subsection (3) that it referred to a number of units which, in virtually every case, would be represented by a certificate for those particular

Intercom, as holder of Jepanese units, was saying to the managers "here are our existing units in the Japanese fund—please take those eway and give us some units in the UK fund." It was requiring the managers to treat it as no longer interested in the 980 39 Japanese interested in the 980.39 Japanese units, and did not authorise or require the managers to treat another person as entitled to those particular units.

The first part of subsection (3) was therefore satisfied, and that being so, intercom was deemed, for the purposes of Part VII of the Finance Act 1946, to transfer the units to the managers. Any instrument whereby intercom gave the authority or made the instrument whereby Intercom gave the authority or made the requirement was to he "deemed for the purpose of ... the enactments relating to stamp duty to be a conveyance or transfer of the unit on sale." So, for stamp duty purposes, tho matter was to be regarded as a transfer of the units to the managers, and as a conveyance managers, and as a conveyance

or transfer on sale. The consideration was the £444.11.

The other point was whether the trust deed constituted just one that trust scheme, or several.

A notice trust scheme for the

A unit trust scheme for the purpose of section 57, as defined

The question was, what pro-persy was held for holders of units ettached to the Jepaneze portfolio, for the purpose of enabling them to participate in profits or income? The property so held was the

Japanese portfolio, and it followed that in relation to that portfolio there was a unit trust scheme. One must then ask whether there was any person, other than holders of units attached to the Japanese portfolio, who was entitled to participate in poofits or income arising from that portfolio.

portfolio.

The answer was in the negative. Those who held units in a particular portfolio were the only people who were interested and who, as beneficiaries under a trust, shared in the profits and income arising from investments appropriated to that portfolio.

There were provisions in the

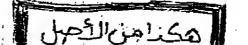
There were provisions in the trust deed whereby managers might ensure that e burden which should properly be borne by one portfolio should not be by one portfolio should not be borne by another. That emphasised that the portfollos were separate and were beid for the exclusive henefit of the people who beld units in them. It was strengthened by the fact thet the trust deed made it clear thet any borrowing should be for the benefit of a particular portfolio. Far from being one scheme, the trust deed embraced as many unit trust schemas at any time

unit trust schemas at any time as there were portfolios. The trustee stood possessed of the fund as a single common fund on trust for the holders, but scheme was not a single unit trust scheme.

The case for the Inland The case for the injana Revenue was correct. The appeal was dismissed.

For the Revenue: Christopher McCall (Solicitor, Inland Rev. enue).

For Arbuthnot: Peter Langan QC (Bischoff and Co.). By Rachel Davies



### Britsat in deal over satellite television

A BRITISH company offering U.S. satellite technology seems set to embarrass the UK Government in its attempt to launch a direct broadcasting by satellite (DBS) project.

The company, Britsat, has put to-gether a deal using existing U.S. technology from RCA, which it claims is much cheaper than any-thing yet offered by the UK satellite

industry.

Britsat is offering the DBS consortium – the BBC, the ITV (independent television) companies and five non-broadcasting organisations led by Thorn EMI – a two-satellite system capable of broadcasting 10 channels of programmes for £38.5m

The price, which includes 10 back-up transponders, drops to £30m a year if the second satellite is built but not launched until the

third year of the project.
United Satellites (Uniset) British Aerospace, British Telecom, GEC-Marconi consortium put together by the Government - at first quoted a price of more than £79m a year for a three-channel, threesatellite system, Britsat satellites have a design life of 12 years - Unisat's have eight.

The Unisat price has now been reduced, but to try to cut it to £40m a year - the sum at which the project might be commercially viable the consortium is being forced to look at the possibility of a single satellite with a partially completed payload on the ground.

Many in the industry believe that banks will be rejuctant to finance a project based on a single satellite. There are also question marks over whather the electronics industry will be prepared to invest in the production of home-receiving equipment for a service vulnerable to a long interruption in the event of satellite failure.

For the past 18 months, Britsat, whose managing director is Mr John Anderson, a former Depart-ment of Industry civil servant, has been on the sidelines.

The Government has made it clear that the DBS consortium would use Unisat as its satellite provider. The consortium has asked for the right to go to international tender. But the Department of Trade and industry (DII) is so far opposing this and insisting that the con-sortium deals with Uniset.

Britsat believes that its project may soon be seen as the only way forward for any British DBS pro-

A large commercial bank with experience of financing international satellite projects has confirmed to the Financial Times that it believes it can raise the £200m-£300m project finance needed for the Britsat

parts or increase guidance or con-trol in the manufacturing process. Mr Rehfeldt forecast a 25 per The bank, which does not wish to be named at this stage, says it also has the backing of one of the four rate for the machine vision industry big British clearing banks. The commercial bank says it has valichine vision equipment sales dated all Britsat's commercial and reached \$80m last year. technological specifications and be-lieves that DBS could be commerof inspection systems would have cially viable in the UK. vision capabilities by 1992, he esti-

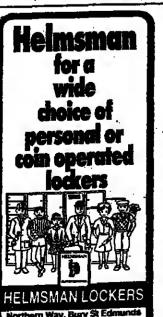
A draft contract has already been drawn up between Britsat and RCA Britsat claims that a DBS launch is still possible in the au-tumn of 1987 if decisions are taken within the next few months.

The draft is for a fixed-price contract which includes draconian penalties if the project slips six months behind schedule for any reason.

Britsat, which has been largely discounted in the past for political reasons, believes it can put together a package which could attract the Government.

Because of the shortage of time, the first satellite would come entirely from RCA. As much British content as possible would be in-cluded in the second satellite. A third satellite - to make the system operational for 16 years - might be built ectirely in the UK.

Britsat argues that at least 20,000 jobs could be created on the ground by DBS, largely in the manufacture and fitting of the small-dish aerials in people's homes to receive the pictures from space. This compares with only about 400 in the actual construction of the satellites.



Telex: 817359

### City financial alliance would slug it out with the giants

London has spawned more than 12 big alliances between banks und stock exchange firms, but few have attracted quite the attention - or are as complex - as S.G. Warburg's.
Yesterday's announcements out

line the shape of the £350m con-glomerate which the merchant bank is trying to hammer together with its three partners to form what Mr David Scholey, the chairman, claims will be a world class interna-

tional financial group.

While the plans for Mercury International Group (MIG) should lay to rest rumours that the alliance was in trouble and that Mr Scholey had got hogged down with it all, the deal has raised questions affecting all the City mergers, such as how to marry up bankers, brokers and jobbers, and contain the conflicts of interest inherent in such multifaceted groups.

As far as Warburg itself is concerned, is one of Britain's leading financial engineers building the won-der machine of the 21st century? Or is it, ironically, about to inflict its greatest botch-up on itself? The weak performance of shares in Warburg's parent company points to some doubts on that score, although to be fair other merchant bank stocks have not performed brilliantly for similar reasons.

Warburgs has maintained all along that a top merchant bank can succeed in today's buge, intercon-nected financial markets only by pitching itself right at the centre of them.

In Akroyd & Smithers, it has secured one of the biggest UK market-makers in equities and govern-ment stocks, which means MIG will become a dominant figure on the stock exchange. Rowa & Pitman is a leading broker with expertise in corporate finance which should complement Warburg's merchant dated, the industrial conglomerate,

BY LYNTON MCLAIN

MACHINE vision would eventually

prove to be relevant to most manu-

facturing and assembly processes, Mr George T. Rehfeldt, group vice-president for industrial special

products at Cincinnati Milacron,

said yesterday. He told delegates to the second

day of a Financial Times conference on automated manufacturing that machine vision was a typical

thet was "just beginning to really

It was a sensing technology that

used visual data from television cameras to help inspection, identify

cent compounded annual growth

for the rest of the decade. Total ma

More than 40 per cent of all kinds

mated. So far, 80 per cent of ma-

chine vision companies were in the

U.S., and about 12 companies, out of

the world total of 100, controlled

more and more rapidly, we in in-dustry are faced with the monu-

mental task of applying practically and solving real manufacturing or

assembly problems," he said. "Our most common mistake is underesti-

mating how much work this re-

He warned that a successful la-

boratory demonstration of new

techniques probably meant one was only halfway there.

The burden of working out the

application often rested with the

manufacturing angineer and the plant manager. Management, who

probably insisted on buying the

technology, usually is not very in-

terested in knowing the mundane

and tedious details of how it is go-

most of the market.

owires.

work on the factory floor."

David Lascelles examines S.G. Warburg's plan to form a £350m conglomerate in the City of London and asks: Will it be e wonder machine of the 21st century or the greatest botch-up?

banking business and give the group a good outlet to institutional

Less obvious was the need to include Mullens, the firm of the Government Broker whose traditional role will disappear with the reform of the market in government stocks (gilts) next year. Although there have been suggestions that Warburg was pressed to take Mullens on by the Bank of England, it does have a useful share of the gilt broking market and good contacts among foreign central banks.

Warburg's strategy is not unique: others such as Morgan Grenfell, Kleinworts, National Westminster and Barclays are trying to put to-gether similar multiple alliances. None is as ambitious as MiG. All except Barclays are much smaller, and Barolays' resources are 10 times greater than Warburg's. Many bankers expect to be able

to achieve the same results as Warburg without going to the expense of buying a heavily capitalised job-hing firm, let alone two stockbrokers and, as one put, it, "trying to stuff the whole lot into one hig beg." Of the City's six or so largest merchant banks (which do not include Warburg) four have either bought a

single broker or nothing at all. Warburg, not surprisingly, denies that it is taking any unnecessary risks and claims it will not need extra capital to get the enterprise off the ground. Its resources consist of some £246m disclosed last year, plus hidden reserves of possibly, £50m and whatever profits it has retained since then. Charter Consoli-

Bright future in industry seen

for machine vision technology

The store had robotics, computer

controls, eight unmanned automat-

ic cranes and 14 automated guided

latest phase in a £50m programme

at Perkins to improve efficiency

and distribution at Perkins had

been low, he said. By 1981, as man-

FINANCIAL TIMES

**Automated** 

Manufacturing

CONFERENCE

wacturing investment reduced our

product costs, the lack of invest-

ment in materials storage and dis-

tribution meant that material han-

dling was taking a growing propor-

Mr Devaney said Perkins' fork-lift trucks and a computer material-

control system previously picked up

and put down a container on average 30 times in the four days' re-

sponse time from material receipt

to engine assembly. The response

time had been cut from four days to

14 minutes in the automated store. Average material movements bad

been cut from 30 to four move-

ments. Stocks had been cut by £1m,

and the store's area had been cut by

30 per cent.
"We hope to improve on this as

the dependability of the system will mean ordering of materials by the assembly area just in time' to meet orders," he said.

while technology keeps evolving showed scope for large-scale improvements in material handing.

and tedious details of how it is going to take more time and money to make it work properly. 

Mr Rehfeldt said the single most limiting factor in adapting new technology to manufacturing was to ignore the importance of applications engineering.

and response time to customers. Before the automated parts store, investment in materials storage

scribed the £2.5m automated parts trolled us," Mr Devaney said. "The

vehicles. BT Rolatruc of Slough was houses - "the first brick in an autothe supplier. The scheme was the matic information system leading

will be investing £17m for a stake in

the group.
Its actual capital needs will not the Bank of Engbecome clear until the Bank of Eng-land sets the rules for the restyled gilt-edged market. Warburg intends to be a major player and may have to invest some £40m in a separately

capitalised dealership and be ready

Akroyd & Smithers already accounts for about 40-50 per cent of the turnover in the gitts market, and the challenge for Warburg will be to hang on to as much as possi-ble when it is thrown open to an comers next year. Akroyd might ac-count for 15-20 per cent of the enlarged market, but Rowe & Pitman and Mullens must have the capacity to distribute this volume to investors if the grand strategy is to work.
At the moment, Mullens has about

10 per cent of gilts brokerage, Rowe & Pitman slightly less. But if Warburg is taking a gamhle, it is probably better qualified to measure market risks than most merchant banks. Apart from being more "punting minded," as one observer put it. Warburg is already big in the Euromarkets where it is the only UK bank among the world's top 10. But its profits are likely to be more volatile than those of its more banking-orientated

competitors, as the poor results at Akroyd last year portended. Unlike Barclays, probably its higgest competitor, Warburg wants to hind its partners into a fully-owned, tight-knit group. People at Warburg insist that there is "surprisingly little" cultural conflict between

wear company with a turnover of

nearly £300m a year, also spoke of the importance of automated ware-

to computer integrated manufactur-

The company had installed com-

puter-aided design (CAD) systems to raise the use made of material from 60 per cent, when manual

techniques were used, to 90 per cent

with CAD, he said. The company

was studying advanced automatic cutting. This would allow a central

computer to control all cutting in

the company's 250 medium and

small workshops, wherever they

tures, previously used for econ-

omies of scale, to micro-structures

Mr Sergio Sereni, vice-general di-rector of Fata European Group, the

Italian automated equipment com-

his former status of manual worker.

"Brain work acts as a flywheel of change in industry," he said. "Here,

man wins back his original primary role, as more individual and free to

express his own talents outside the

The world economy now hinger

on small to medium companies, but

larger companies too had recog-

nised thet reorganisation into mis

ro-structures was what paved the

way to new competitiveness, he

Mr Sereni said all aspects of the

manufacturing cycle - such as the

raw materials warehouse, the man-

ufacturing area, quality control and

end-product warehouse - were

linked by a materials handling flow

Of these, high bay storage and re-trieval systems "still seem to belong

to the past," be said. Evolution in

these systems to improve performance was unlikely. Nevertheless

the warehouse must be seen as

constraints of bureaucracy.

The shop-floor man was leaving

Management in industry was

heteutia erew

inkers and brokers. They say the group's international dealership Ro-wak, launched last December, has been a good testing ground, but there are touchy problems to solve, such as pay scales.

While bankers get most of their remuneration as salaries, brokers rely heavily on bonuses. Warburgs nts to unify salary practices and may have to extend bonus payments to encourage everyone to identify with the fortunes of the group as a whole.

The prospect of working for a to bear losses until the new market settles down.

Akroyd & Smithers already acdealers who prefer life elsewhere. And Warburg itself, with double the staff, will have to work hard to stay light on its feet.

Tighter integration will also pro-duce an intricate web of conflicting interest within the group, between for example the investment managers (who will command over £7.5hn in clients' money), the brokers and market-makers, and the corporate finance people.

Three groups are being created: merchant banking securities and asset management Traditional Chinese walls will be built to prevent information seeping from one sec tion to another, and these will be patrolled by full-time "compliance officers, each equipped with coded locks and limited access lifts.

The securities group will also be in a separate building, and employ-ees will be instructed to make clear to clients in which capacity they are

MIG will also run the risk of "taint" a loss of clients who find their rivals being represented elsewhere in the group. Warburg is resigned to this, though it has told clients it is willing to work with them as long as they want.

### Court rejects claim over lost sea cargo

By Raymond Hughes, Law Courts Correspondent

store at the company's diesel en-gine factory at Peterborough. This is the first automatic distribution Mr Oldo Palmeri, managing di-SIX COMPANIES that owned a cargo of timber lost during a violent storm in the North Atlantic, have system of its kind in the UK. ... rector of Benetion, an Italian knitfailed in a £27,720 claim against the

> The Admiralty Court dismissed their claim that Gorthens Rederi A/B, of Helsingborg, Sweden, owner of the bulk carrier Tilia Gorthon, was liable to pay damages for breach of the carriage contract. The owner denied liability and ar-

gued that the loss resulted from a peril of the sea. Part of the timber, being carried as deck cargo, was washed overboard in very heavy seas during a Force 10 storm. The cargo owners alleged that tha vessel was unserworthy be-cause part of a defective deck cargo

lashing broke.
The judge decided that any defect
in the lashing was latent and could
not have been discovered by any

reasonable inspection. moving away from macro-struc-The cargo owners were F. W. Aylott, Manchester Timber Importers (FWM), Parker Timber (Northern), as the man on the shop floor be-Evans Bollhouse (Timber), May came a "brain work operator." said

Hassell and Owens Peck & Co

### A tyre company was delighted when we re-moulded their offices. Puller Peiser provide the type of specialist advice on planning, design and contract supervision that makes property refurbishment, management or re-incation seem easy-keeping the wheels of industry running smoothly. Full information on our whole range of property services is available from the address below. FULLER PEISER Chartered Surveyors PROGRESSIVE AND PROFESSIONAL TRAVES IN HOUSE, 3-4 HOLBORN CINCUS, LONDON ECIN 2HL. TRUPPROME: 98-353 6858 of Markets, Secretary and Edinburgh, Association Oppices throughout USA and Carrada

#### A FINANCIAL TIMES SURVEY

# NIGERI

The publication of the Financial Times annual Nigeria Survey comes little more than a year after the dramatic coup which brought General Muhammadu Buhari to power. The survey will provide a major review of the Military Government's record, covering the main sectors of the economy, trade and investment prospects, foreign relations and internal political developments. As usual, the Survey will be divided into several broad sections, each concentrating on specific subjects.

Order your copy of this 28 page survey which will be published in two parts, in the Financial Times on February 25th and 26th 1985.

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

Surveys are subject to change at the discretion of the Editor.

#### Swedish Export Credit Corporation (AB Svensk Exportkredit)

TO THE NOTEHOLDERS OF

Notice of Resignation of Trustee and Appointment of Successor Trustee. Notice of Appointment of Note Begistrar, Payment Agent, Designated Office.

Bankers Trust Company ("Bankers Trust") hereby gives notice pursuant to Section 3.10 of the Indenture dated as of May 15, 1982, as amended and supplemented, between Swedish Export Credit Corporation (AB Svensk Exportkredit) (Company) and Bankers Trust, as Trustee ("Indenture"), under which the Company's 18%, Notes Due 1990 and Floating Rate Extendible Notes Due 1995 are outstanding of its resignation as Trustee under the Indenture, effective as of the close of business on February 15, 1985. In addition, Bankers Trust hereby gives notice pursuant to Section 11.04 of the Indenture that such Indenture has been amended by a Second Supplemental Iodenture dated as of February 1, 1985 between the Company and Bankers Trust providing for the appointment of an Aothenicating Agent.

J. Heard Schröder Basik & Trust Company ("Schooler"), whose Company

Bankers Providing for the appointment of an Addinguishing Agent.

J. Heary Schroder Bank & Trust Company ["Schröder"], whose Corporate
Trust Office is located at 1 State Street, New York, New York 10015, hereby gives
notice that the Company has appointed Schröder as Successor Trustee (in place of
Bankers Trust) under the Indentare and that Schröder has duly accepted such appointment, effective as of the close of business on February 15, 1985.

Schroder bereby gives notice that Bankers Trust will continue to act as Note Registrar and Paying Agent of the Company in New York and the designated office to which all communications shall be sent is as follows:

Bankers Trust Company Corporate Trust & Agency Group Four Albany Street

Dated: February 20, 1985

Bankers Trust Company Corporate Trust & Agency Group P.O. Box 318 Church Street Station. New York, New York 19015

#### Company Notices

#### JOINT ANNOUNCEMENT APEX MINES LIMITED (Apex)

THE CLYDESDALE (TRANSVAAL) COLLIERIES LIMITED (Clydesdale)

(Both Companies are incorporated in the Republic of South Africa) PROPOSED MERGER OF THE OPERATIONS OF APEX AND CLYDESDALE

The hearing of the application to the Supreme Court of South Africa (Witwaterarand Local Division) made on 12 February 1985. for the sunction of the Schume of Arrangement providing for the merger of the operations of Apex and Clydesdale, which was postponed to Wednesday, 20 February 1985, has been further postponed by the Coart to Wednesday, 27 February 1985. Sharnholdnra of Apex and Clydesdale will be advised of the outcome of the postponed application immediately upon its finalisation. Certificates for shares in Apex and Clydesdala will cononae to be good delivery on The Johannasbarg Stock Exchange and Clydesdale's share certificates will continue to be good delivery on The Scock Exchange, London, until further notice

Members of the Gold Fields Group

### TV sponsorship rule relaxed

BY RAYMOND SNODDY

tions engineering.

nies which provide funds for television programmes to use brand names in the acknowledgements on screen. At present, only corporate names can be used.

Mr John Whitney, director-general of the IBA, which controls UK.

sponsorship or co-manding or programmes by non-broadcasting organisations. Mr Waitney emphasised: rommercial television and radio stations, told a television industry conference in Monte Carlo yesterday of the change. It is part of a revision of the rules governing televi-sion sponsorship. He said the present rules gave unfair advantage to corporations which shared the same name as their product.

names will not apply to cigarettes non-broadcaster.

"There was enormous scope for Mr John Devaney, managing di- improvement. We wanted a system cornerstone of a manufacturing rector of Perkins Engines, de- we could control, not one that con- process.

> Tha new IBA guidelines, despita growing interest in sponsorship, maintain the strict controls on sponsorship or co-financing of pro-

 Such programmes must be e factual portrayal of doings, happenings, places or things. Acknowledgements must be restricted to no more than "a suitable

visual credit" at the beginning and end of the programme. same name as their product.

• Coverage of a sponsored event.

The easing of the rules on brand on television cannot be funded by a.

THE INDEPENDENT Broadcasting or any other products banned from Authority (IBA) is to allow compa-advertising on television by the ples which provide funds for television IBA.

• The content of the programme should not be directly related to the funder's commercial interest.

Mr Whitney also warned the ad vertising industry against advocating superficially attractive ideas of breaching independent television's advertising monopoly by seeking limited advertising on the BBC. Once the principle is breached.

further demands would be made for more advertising time on the BBC to limit future increases in the licence fee," Mr Whitney warned.

"The advertising industry has always been supportive to the theme of public service broadcasting. It is a system that is envied in many parts of the world: let us not put it

#### **EUROPE 1 COMMUNICATION**

The Board of Directors of the EUROPE I COMMUNICATION company met under the chairmanship of Mr Pierre Briter to close the accounts of the fiscal year ending on September 30, 1984.

1) Net results of the company amount to FF 10,477,000 (against FF 20,322,000 for the preceding fiscal year) after tax on profits of FF 28,093,000 and after exceptional provisions of FF 67,172,000 mainly concerning the SSE Télé-Monte-Carlo branch which showed a heavy deficit, taking into account the takeover of the cost of a possible withdrawnl of its Italian branch TVI.

2) Consolidated results (not finally settled) will be about 25 million francs, of which approximately half for the group share, against FF 22,611,000 in 1982-83.

3) In view of the worch improved outlook for the 1984-85 for larger than the settled of the state of the st

22,011,000 in 1702-03.

3) In view of the much improved outlook for the 1984-85 fiscal year, the Soard will propose to the General Meeting, the date of which has been set on March 28, 1985 in Monneo, to resume the distribution of the dividend, interrupted in 1984, at a price of FF 15 net per

shere.

4) For the first quarter of the 1984-85 fiscal year, the pretax 4) For the first quarter of the 1994-50 listed year, the pretax turnover for radio-broadcasting activities of the group amounted to FF 151,612,000 against FF 151,485,000 for the same period of the preceding fiscal year. A 5.90% rate increase in 1985, after 3% in 1984, should allow the group turnover to return to a more normal growth; this is confirmed by the results of the month of January 1985 which showed a 6% increase compared with January 1984.

Banque Franco-Allemande Deutsch-Französische Bank

The Bangun Franco-Allemande, which has been doing business in France for 25 years, is the oldest German-owned French bank. It is a subsidiary of Westdnutsche Landesbank (WestLB), one of the

At a special meeting on January 4, 1985, its shareholders decided to increase its capital by FF 123,200,000 from FF 88,000,000 to FF 211,200,000, by n new share issun totalling FF 248,696,800, including a premium of FF 125,496,800.

The entire premium was paid whom the new shores were subcribed co. FF 66,000,000 of the per valun of the new shares whre paid no the same time, the balanca being peyable in 1986.

The bulk of the new issun was purchased by WestLB, which now holds 92% of the sheres of Banque Franco-Allemande. The capital increase will nnable the Banque Franco-Allemande to continun Its growth on the Franco-German market and to diversify its

15-17-129

V . . . . . .

### Insurance & Insurance Broking

The Financial Times proposes to publish a survey on the above subject on Wednesday 24th April 1985, prior to the BIBA conference in London.

For details of advertising rates please contact:

NIGEL PULLMAN, BRACKEN HOUSE, 10 CANNON STREET, LONDON ECAP 4BY TEL: 01-248 8000, EXTN 4063

Publication date is subject to change at the discretion of



### The Kingdom of Denmark U.S. \$200,000,000 Floating Rate Notes due August 1999

Notice is hereby given that the interest payable on the Initial Interest Payment Date, February 28, 1985, for the period August 30, 1984 to February 28, 1985 against Coupon No. 1 in respect of U.S. \$10,000 nominal of the Nates will be U.S.\$517.48.

February 22, 1985, Landon By, Citibank, N.A. (CSSI Dept.), Agent Bank

CITIBANCO

### A fresh start outside the Acrow umbrella

By Gordon Cramb

THE DISMANTLING of Acrow, the UK group of engineering have done it all from my desk businesses toppled last September by the weight of its £50m achieved hetter deals and we debts, is by now all hut complete. Priestman Brothers, the excavator maker sold by the receiver last week, was one of its largest subsidiaries and also one of the last to so.

before, even with many of the same people in charge. Although a management huyout succeeded in only one case the teams of managers else-where bave generally been kept

on by the new owners.
What has changed is that the businesses have been freed of Acrow's borrowings burden.
With the drain of debt servicing demands removed, profits have rapidly reappeared.
and the contentment level on
the part both of the managements and the new parent com-

panies runs high.
Mr Michael Jordan of accountants Cork Gully, whose task as Acrow receiver bas occupied him almost constantly since September, acknowledges that sorting out Acrow's complex structure of overseas boldings will still take some time. With the bulk of the assets gone, he puts the amount so far raised at above the £50m level.

The figure does not allow for costs of the receivership work, but it has been bolstered by some £10m in trading receipts from the operations kept as going concerns while in his hands — one indication of how healthy they have proven as independent units.

"In point of fact, we have exceeded the figure et which I would have accepted an overall offer," Mr Jordan says. Trafalgar House was sounded

out in the early stages hut decided against taking the whole group on, and a subse-quent approach from Middle Eastern interests is understood to have made little progress. The piecemeal process, however laborious — at one point Cork Gully had 100 people working on Acrow -- appears to have paid off.
Since Mr Jordan took on the

role of Acrow's corporate salesman, he bas acted with great style, placing full-page adver-tisements in newspapers and embarking on an almost non-stop circuit of the Acrow

isinesses.
"The books were in good

property or plant were taken

But, as this month's purchase of Priestman by the privatelyowned Sanderson Forklifts of Skegness shows, hope exists even for those divisions still languishing on Mr Jordan's books. Of those remaining in the UK, the only one of any size is Bentall Simplex, and Mr Jordan continues to take prospective purchasers round the Maldon, Essex, site where it produces its grain storage

Bentall has been kept occupied on a large Hungarian order placed soon before the patience of Acrow's bankers

Mr Jordan is optimistic that the banks will be repaid their £40m in full, although he adds the cantionary rider that "it its largest subsidiaries and also one of the last to go.

The disposals have left in Acrow's place a range of individual compenies which have shown a quick return to viablity.

The period has not been without its casualties, all the same.

Acrows shareholders are not expected to receive anything, and many of the group's 3,000 or more jobs in the UK have been lost—new owners have rarely re-employed more than two-thirds of the previous work-force, and in a few cases only

wore out. Priestman, based in Hull, has been ticking over with small-volume contract

ACROW'S FORMER UK DIVISIONS fin (yr to Mar. 34) Subsidiary Locarios Buyer Coles Cranes
Priestman Bros.
Thos. Storey
Acrow Engineers
Bentall Simplex
Acrow Storage
Adamson Contain
Steel Engining.
Crawley Refrig. Sunderland Grove Mfg. Sanderson Management HAT\*† Stockport Surton Est. Tiphook

Harefield

Stockport

Coles, the biggest of the Acrow units in turnover terms, went to Grove Manufacturing, of the U.S. Almost all the senior managers, who fought a courageous, if ultimately unsuccessful, battle to acquire Coles, have

same jobs. one management buyont which did go through, however, was at Thomas Storey, the Stockport-based builder of Bailey bridges. Mr John Hathrell, who as managing director led the consortium in the purchase approximately. chase, pronounces Storey "very healthily in the black—our cash

flow is far better than anything we had anticipated." Storey's marketing operations were moved last month from

work building earth compactors
for Coles Cranes, its former
sister company which was one
of the first Acrow operations
to be snapped up.

Acrow's former headquarters in
Paddington, London to Weybridge, Surrey. Its customers
have greeted Mr Hathrell
with "tremendous support—all I had to do was get out and wave the flag a bit."

Tiphook Wm. Baird

Excluded from the purchase was Storey's steel fabrication business, making products such as motorway gantries, where it faced stiff competition. But it is continuing to develop its traditional range of bridging systems, and has renewed its export links with some of been re-employed in roughly the

> agencies and associates. "We were choosy," Mr Hathrell says: "We went back only to those with which we had a good rapport. It was also a good opportunity to sever connec-

He and Candover Investments, the management buyout specialists which organised finance for year-old point machine in his

ture - until the November deal its involvement was confined to leasing out the ready-made steelclad freight units which it bought under contract. Its association with Adamson was

already of long standing. All Adamson's production lines are now working at full strength, says Mr Montague. "It has an order book tunning beyond June, and that is not just building things for our own-

company."
Acrow Storage Equipment,
the Harefield, Middlesex, maker of shelving and racking for warehouses — it supplies the bulk of Marks and Spencer's needs — was last month relaunched as Apex Storage Systems. It is already feeling tangible benefits of the change

in ownership.

Mr Brian Walters, the managing director, points to a 30-

says that more are being

says that more are being taken on week by week.
Grove in the UK is still looking for orders, however.
The big Ministry of Defence contract which went to Sunderland and for which.
Coles has just completed a batch of 89 vehicles will come to an end by the heringing of

to an end by the beginning of

March.

The company has secured some new, though not large, orders in the past month, including two from Eastern

Europe, and its management appears to be confident of improving sales across its

In the meantime, Grove in

on the stock market as soon as circumstances permit. "But we need some years of reasonably good trading figures behind us first," says Mr Hathrell "and we're out to get them."

Some management changes have been instituted to tighten cost control et Adamson Containers of Stockport, bought by Mr Robert Montague's Tiphook Holdings Exceptionally, though, the workforce is expected by next month to reach a record to reach a record and a presence in 135 countries, and holdings of varying the form of the countries, and holdings of varying sizes still exist in companies.

countries, and manage or extraing sizes still exist in companies carrying the Acrow name abroad but with tempous operational links to the UK core. tional links to the UK core.

Mr William de Vigter, who founded Acrow from a workshop under a London railway sinh in 1936 and had been its chahman ever since, is believed still to hold substantial stakes in the autonomous associates much as Acrow Australia, which has the Coles franchise for that country. He declined, however, to be drawn about his intentions.

The rigid hold kept on Acrow by Mr de Vigler, 73 is identified by some as a sizeable factor in the group's decline. Through just 21 per cent of its expital he exercised voting control and made room for an orbide chief

By that stage the company had slid into loss and was labouring under the prevailing high interest rates—its delens were already numing at lone

The strategy had been to ride the recession by making a maintained market share the first priority. Even this could not be guaranteed as one City analyst put it at the time, the market for Coles, product in particular simply vanished. particular simply vanished.

So did profit margins all round, and when file volume first approach began in be reversed, the benefits of disposals, reductions in product range, and some 4,000 job losses were slow to show through. Acrows beniers grew increasingly restive and the prospects of joining the ranks of vioceless shareholders through taking an equity stake did not appeal. And so, the receiver was called in.

Even now, the process is fiv.

Even now, the process is by no means complete. Mr Juidan estimates that another two years work lies ahead in unravelling the remaining strands of Acrow's disparate

### U.S. CONNECTION BENEFITS COLES CRANES

CONTINUITY AND change are both on the agenda at Coles Cranes, now trading under the name Renaud, a company set up by Grove Manufacturing, Coles' pur-

The retention of the management has ensured a con-tinuation in the emphasis on engineering productivity and cost controls that became a feature of Coles during the past two years. "It's the same management style." says Mr Ron Stafford, plant con-vener at Coles' Sunderland

Mr Duncan Wordsworth, who was managing director of the mobile crane maker, has been brought back in that role and has also been elevated to the presidency of Grove's European operations. Mr David Steel, a member of the family which purchased Coles 46 years ago, is Euro-pean managing director for sales and marketing at Grove

and Coles.
But some marginal inte-

gration of Coles and Grave has already taken root.

Coles is very costcompetitive at the moment because of sterling's value, and two of its models—the 12-tonne capacity Jumbo in-dustrial crane and the much bigger 528 all-terrain vehicle were introduced to the U.S. market last month.

They are being sold through Grove's U.S. dealerships, and along with all Coles vehicles now sold in the U.S., will be retailed as Grove products. Introducing some extra Coles models into the U.S. reflects a belief within Grove

management at Sunderland

that same of the Coles rehicles complement the Grove range. They suggest that more Sunderland-made vehicles might be introduced into North America.

The closure of Grove's Oxford assembly centre, due to be completed in April, is still being digested, along with the transfer of Grove's German spares operation to Sunderland. One of the biggest tasks is

to put the operation as an even keel, following the market uncertainty which bit Coles in the wake of Acrow's collanse.

Of the 1,100 people made redundant at Sunderland during the purchase negotiations, 800 have so far been the U.S., which has been the subject of discussions on a re-employed and Mr Stafford

A Charles of the Court will be

possible management buy-out from its parent, the Kidde group, is being run pretty much as a separate business from the European operation. - strands Nick Garnett assets.

You need all the legroom you can get on a long haul.

Our seats are specially designed to give you more comfort and much more stretch. Comfortable seats. Lots of legroom. Attentive service. Excellent cuisine. That's MAS

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mas we'll treat you like gold



### PHILLIPS PETROLEUM COMPANY

## Special Meeting, Friday, February 22

### **VALUE VS. CONDITIONS**

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PLEASE USE THE TOLL-FREE DATAGRAM PROCEDURE SET FORTH BELOW.

In casting your vote, consider these points:

The Phillips Recapitalization Plan delivers hard value now:

- \$60 in debt securities for 38 percent of your shares (\$22.80 of debt securities per share).
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- Plus, you retain a substantial equity interest in Phillips, a strong, vital leader in the oil and gas industry.

Carl lcahn's deal is loaded with conditions:

- Icahn's first-step partial tender offer is burdened with special conditions, and he gives you no assurance that he will complete his offer.
- At the end of last week, lcahn—by his own admission—had "commitments" for only a third of the financing he needs to accomplish the first step of his proposal.
- The Icahn offer is being made by a corporation which has no money—in Icahn's own words, it has only "nominal assets."

Remember, if you do not execute your proxy, you are, in effect, voting against the Recapitalization.

If you need further information on voting, including instructions on voting by Toll-Free Datagram, call Phillips toll-free at (800) 431-2624.

You may also call D. F. King & Co., Inc. collect, at (212) 269-5550 in New York, (312) 236-5881 in Chicago, (415) 788-1119 in San Francisco, or (213) 215-3860 in Los Angeles.

#### **TOLL-FREE DATAGRAM VOTING PROCEDURE**

Phillips has established the following simple toll-free talephona procedure which, if you are a shareholder of record, you may use to vote your shares:

- Call Western Union toll-free 1-800-257-4900 any time day or night. In Missouri, call 1-800-325-6000.
- Tell the Western Union operator to send a pre-paid Datagram to Phillips Petroleum Company, I.D. #F 7014.
- Read the following text of the proxy card:

PHILLIPS PETROLEUM COMPANY Bartlesville, Oklahoma 74004

Special Meeting of Stockholders To Be Held Friday, February 22, 1985.
This Proxy is Solicited by the Board of Directors.

The undersigned hereby appoints Wm. C. Douce, Melvin R. Laird and W. Clarke Wescoe, or any of them, with individual power of substitution, proxies to vote all shares of common stock of Phillips Petroleum Company which the undersigned may be entitled to vota at the special meeting of stockholders to be held in the Adams Building, 4th Street and Keeler Avenue, Bartiesville, Oklahoma, on February 22, 1985, at 10:00 A.M., CST, and at any and all adjournments and postponements thereof as indicated below.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" THE PROPOSAL GRAINST GABSTAIN

1. A proposal to approve a recapitalization as set forth in the Proxy Statement-Prospectus of Phillips Petroleum Company (the "Company") dated January 31, 1985, pursuant to which: (i) the Company's Certificate of Incorporation (the "Certificate") would be amended to reclassify each outstanding shara of the Company's common stock, \$1.25 par value (the "Common Shares").

into .62 of a Common Share, plus one share of a new class of axchangeabla preferred stock, \$1.00 par value, of the Company which will be exchanged immediately after issuance for debt securities of the Company; (ii) the Certificate would be amended to increase the number of authorized Common Shares from 200 million to 300 million and to authorize 200 million shares of preferred stock; (iii) the Certificate would be amended to provide for classification of the Board of Directors, elimination of the ability of stockholders to act by written consent and certain related matters; (iv) tha current directors of the Company would be classified into three classes numbering six, five and five directors, respectively, with terms ending at the Company's Annual Meetings in 1985, 1986 and 1987, respectively; and (v) the Company would create an Employee Incentive Stock Ownership Plan (the "EISOP") and sell not more than 32 million Common Shares to the EISOP at the market price thereof.

2. In accordance with their best judgment upon all such other matters necessary in connection with the foregoing proposal as may properly come before the Special Meeting or any adjournment or postponement thereof.

This proxy will be voted in accordance with the specification made for the proposal. If no specification is made, this proxy will be voted FOR the

- Tell the operator how you wish to vote your Phillips shares. Management recommends a vote "FOR" the proposed Recapitalization.
- Give the operator your name and address exactly as they appear on the proxy cards previously sent to you.

NOTE: If your shares are registered in "street name" with a brokerage firm or bank, you may not vote your shares by the Datagram procedure. In this case, please telephone the party at the brokerage firm or bank responsible for your account and make arrangements to vote your shares immediately.

RETCH

'SCIENTISTS don't like change we're out to change the world but only so long as nobody changes the patch we're in." The speaker is a former research scientist who is seeking to chance he course of one of Britain's biggest industrial research and development programmes. And change it, moreover, not in response to a financial crisis but while profits are healthy and expected to remain

Dr William Duncan believes he bas involved his scientists so closely in self-scrutiny of their own efficiency that there will be a serious loss of credibility if top management— which includes himself—should reject the changes that will be proposed this spring. "Nobody was spared"—and that included bimself, he says. "I have to admit it was not a pleasant

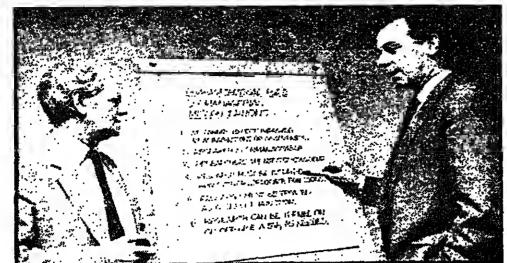
experience. Bul, whatever the outcome, Duncan believes that the exer-cise has already given the lie to six prevailing managerial conceptions about research and development (see illustration). "All are views I have beard throughout my career in indus-try. They are just not true."

As deputy chairman of ICI's pharmaceuticals division. Dun-can's responsibilities include a research and development pro-gramme which will cost £108m this year, £15m more than in 1984. For comparison, the national medical science pragramme managed by the Medical Research Council witl spend about £122m this year, only £5m more than last year. Sir Keith Locath Secretary for Science Joseph. Secretary for Science, in refusing the MRC more money, bas urged it to look closely at its present portfolio and priorilies—the efficiency with which it uses public funds.

Duncan, 55, left ICI as a young scientist, and returned in 1979 as deputy chairman, after 15 years with another drug company. By then he knew the dangers of having too many research targets— ideas for drugs—in a world of rapidly escalating R and D

phase—discovering the new therapy—will absorb a quarter years, and development to the tories, point of product launch the But

diversity of targets can also be



ICI swallows hard

David Fishlock explains why a consultants' report prompted a rethink of R and D in the group's pharmaceuticals division

Duncan sought to bring new discipline to the age-old prob-lem of how to pick winners early enough and concentrate the big spending on fewer far-gets. ICI itself bad been wrestling with the problem from the mid-1970s, under its research director, Dr Brian Newbould whose vardstick for reform had been "those that seemed technically more

By the early-1980s, however, it was clear that there were still too many targets, says Duncan, Newbould's criterion of "technical excitement" was not proving selective enough. The industry accepts that Another must be whether the bringing a single major drug target. If achieved, would fulinnovation to the market now fil a real market need. Would costs f6am-f100m. The research it earn enough to discount the R and D costs? It meant widening the whole review process of the cost over eight to 10 beyond the research labora-

But in widening the review. other three-quarters, over five he knew he could confidently to seven years. he knew he could confidently expect to meet still more resis-At this price an R and D portfolio which is too diversified can be a recipe for commercial disaster. The point is reflected in the rapid shifts in the ranking of the innovative pharmaceulical groups. Yet

Two years ago, Duncan seen as a direct consequence of called in the Boston Consult-employing innovative scientists ing Group,— of which, he had with original ideas. ICI drugs previous experience — with a

R and D employs a total staff brief to examine the R and D programme and its relevance to ICI drug business. It covered not only the research portfolio but communications between management and scientists. The consultants "talked to The consultants "talked to nearly everyone in the division" — from quite junior levels right up to Peter Cunliffe as chairmin. It took them a year,

Duncan says he specified from the start that he was not asking the consultants to tell ICI what it ought to be doing. They had been brought in to discover just what was going on, as independent observers who would not be party to private deals to prevent change. The company would take its own decisions, based on the consultants' findings.

Last winter BCG presented them to the divisional board and senior managers and scientists. Duncan admits wryly that they were hard to take — they even attacked things he himself had instituted.

They also came up with novel ways of presenting ICI with an overview of its R and D portfolio. They showed, for example, how strong was the company's existing scientific challenge. He knew that, in commercial terms, this often meant high risk and low poten-tial reward even if it was

organ transplants would he commonplace, whereas they are still making headlines. "The decision isn't usually

should we move in a particular direction but when, and with how much money," Dr McKillop Dr Dudley Earl, another

research manager, says TASC has looked critically at both the advantages and the dis-advantages of concentrating more resources on fewer targets. He estimates that the number of targets bave already been halved in the past five years, to about 30 at present.

Nevertbeless, TASC has decided the balance of advantage favours a still smaller, more concentrated portfolio. It has identified eleven broad target areas where ICI has a scicutifically strong position and perceives a substantial market within its 15-year time-

One target area is drugs to treat specific cancers. The need is for much less dangerous drugs which "shrink the tumour faster than the pationt." as one clinician says. From research in the early 1980s, ICI produced Nolvadex, a novel treatment for breast cancer which since the late 1970s has given the firm a reputation in cancer, Mckillop

accepted the consultants' advice

peutic area strategy commit-tee (TASC) which would bring in the commercial side. TASC consists of the senior

TASC consists of the senior research and development managers, including the U.S. research manager, two senior

medical advisers, and two com-

TASC's task is to take the

detailed BCG critique and draft a new R and D portfolio for

ethical drug products, with its sights set firmly on where the

company wants to be by the year 2000. It began work with

enthusiasm," says Duncan.

formulate their targets.

varying degrees of lack of

What pleases him most is

As Dr Tom McKillop, one of

that he should set up a thera

tunities opening in endocrino-logy and molecular biology, ICI research managers believe that TASC may well recommend doubling R and D investment in

Another area for which funds could increase is cardiovascular disease. It already absorbs about 20 per cent of the budget mercial managers. It does not include either Duncan or Newbould, his research director, although he admits "it's been rather difficult to keep out of and bas built upon ICI innovation in the early 1960s with its discovery of the beta-blockers. One of the latest, at an advanced stage of trial, is Corwin, which has a built-in safety mechanism that prevents an aildrugs to replace much of today's surgery, such as coronary by pass operations.

the shift from apathy among his research managers to a recognition of the advantages — for example, of scientists participating with other parts of the company in trying to formulate their targets. The findings of the TASC force are filling a thick file in Duncan's desk. "What we've done is to make them reveal their bopes and fears." Manage ment's job must now judge the scientists' claims - and their ability to sell their ideas.

of change. He cites predictions of 15 years past that by now

AFTER TWO weeks of intense and fraught negotiations which often stretched late into the night and through weekends, senior staff at Acorn Computers in Cambridge looked thred, but, under the

in camprings looked tiret, but, under the circumstances, relieved, on Wednesday.

In the early hours of that morning they bad signed a deal with Olivetti, the leading Italian computer and office equipment group, which rescued their troubled company.

During the past two weeks Acorn and its financial advisers have not only put together a major refinancing package which will raise £12.1m, but it has also rewritten its busine plan thus involving significant changes in direction. And it is being completely reorganised into four new divisions. Acorn's failure after six

years' meteoric growth provides an important lesson for young high technology companies : the entrepreneurs which creatn them should be prepared to turn to professional managers before a crisis arrives. Dr Alex Reid, a former senior manager at Britisb Telecom who was appointed acting chief executive of Acorn three weeks

ago as its crisis deepened, is full of praise for Chris Curry As a result of the new oppor and Herman Hauser, the com-pany's founders and major shareholders. But he acknow-ledges that in the end neither Curry nor Hauser had the right business experience to turn Acorn from a small fast-growing

high technology group into a soundly based medium-sized company. By January — after weak pre-Christmas sales and an abortive foray into the U.S. — Acorn could not pay its bills. It turned to Lazards, its merchant bank, which had brought the company to the Unlisted mechanism that prevents an ail. the company to the Unlisted ing beart from being driven too Securities Market less than 18 bard. A broad target is to find months previously, to find new

While Acorn was still talking to Lazards the three key mem-bers of management - Reid, Hauser and Curry — were introduced to the little-known merchant hankers Close Brothers by a mutual friend, Hugbes of Logica.

"We were extremely impressed by Close Brothers' approach," says Reid. "They were very energetic, very creative and seemed very much in tune with our desire to re-As Duncan sees it scientists the division's three research managers, sees this kind of technological forecasting exercise, there is nothing new in companies like ICI trying to peer 10-20 years abead in medical science. But in the medical science, But in the past the scientists were often lost the art of selling himself:

As Duncan sees it scientists were very energetic, very of the bome computer market. In small and individual to the technology companies are the technology companies of the bome computer market. In small and individual to the technology companies of the bome computer market. In small and individual to the technology companies of the bome computer market. In small and individual to the technology companies of the bome computer market. In small and individual to the technology companies of the bome computer market. In small and individual to the technology companies of the bome computer market. In small and individual to the technology companies of the bome computer market. In small and individual to the technology companies of the bome computer market. In small and individual to the technology companies of the bome computer market. In small and individual to the technology companies of the bome computer market. In small and individual to the technology companies of the bome computer market. In small and individual to the technology companies of the bome computer market. In small and individual to the technology companies of the bome computer market. In small and individual to the technology companies of the bome computer market. In small and individual to the technology companies of the bome computer market. In small and individual to the technology companies of the bome computer market. In small and individual to the technology companies of the bome computer market. In small and individual to the technology companies of the bome computer market. In small and individual to the technology companies of the bome computer market. In small and individual to the technology companies of the bome compute

Jason Crisp on the re-structuring of Acorn and its rescue by Olivetti Reid emphasises that he hed into four divisions which recognor been unhappy with Lazards. hise its identified strengths. He seems decidedly less pleased at Cazenove's behaviour. Once it became clear that Acorn had replaced Lazarda, Cazenove, the company's stockbrokers. The company's stockbrokers re-

Spaghetti and chips

company's stockbrokers, re-signed on the spot, says Reld.

I had envisaged they might have given us two or three-weeks to find an alternative broker." As soon as Acorn and Close Brothers started showing confidential information to poten-tial rescuars the shares were

suspended. By this time they had reached 28p compared with a one-time high of 193p. At the same time as seeking outsidn finance the company drew up a new business plan.

COMPUTER

"It was a classic business school exercise," says Reld. "We identified the key strengths and identified the main danger areas to keep out of." The four strengths identified

technological expertise in its technological expertise in its talented R and D persennel together with the company's close links with Cambridge University's Computer Labs;

very strong position in the top slice of the UK bome computer market. The BBC bas by far the largest share of machines in homes above £300; dominant position in UK education and training with over 75 per cent of market;

good presence in government and company R and D labs.

The danger areas were seen as the business personal com-puter market, dominated in this country by IBM and Applied Computer Techniques, and the bottom end of the home com-

puter market, Acorn was already at the heart of the price war which is raging in the home computer market; it knocked £70 eff. the Electron and was on the verge of entering the husiness computer market with its range of ABC machines. Acorn is to move away from the low end

and engineer products for sale by other companies on an original equipment manufac-turer basis. Ollvetti would be a leading candidate.

2-Consumer. It will increase ingly concentrate on the upper end of the market with new versions of the Electron and also the BBC and various peripheral devices.

3) Education and training.
Acorn will safeguard and
expand its strong position in
this market with new machines
and interactive video in the UK. Olivetti will help Acorn break into overseas markets.

4) Scientific and industrial. This will try to meet the specialist needs of R and D departments.

Each of the newly created divisions bas a chief executive and will be run as separate profit centres. Acorn will retain small central financial and legal function,

Chris Curry and Herman Hauser will no longer bold a controlling interest in the company and will have much less to do with its running. A new group managing director is to be-appointed which will leave Alex Reid free to return to his other activities. Hauser and Curry will be deputy chairmen with responsibility for group strategy and external relations. In addition they will have line responsibilities within the busi-

ness division. These changes at Acorn partly resemble those made at Apple, the U.S. personal computer company which also ran into diffi-culties; John Sculley, profes-sional manager from Pepsi, was brought in as president and cofounders, Steve Jobs and Stephen Wozniak, accepted subsidiary roles. Acorn now has to prove that its reorganisa-tion will work and that its acclaimed technical team can continue to produce innovative products which the market wants. The company will also

Certainly one of Olivetti's attractions was its well estab-lished track record of investing

### **TECHNOLOGY**

RETAIL AUTOMATION PLANS AT W. H. SMITH

### **Shop fronts better** sales information

BY ELAINE WILLIAMS

TO THE ordinary customer, the comprise a range of electronic W. H. Smith and Son store in tills linked to a small back Portsmouth's Commercial Road office computer. At the checkoffice computer, At the checkis no different from the other
360 branches around the
country. Portsmouth is, however, the guinea pig for an
electronic point of sale system
which is set to change the
organisation of W. H. Smith's
business.

Some computer, At the checkouts, operatives wave a light
outs, operatives wave a light
transmits the code to the
computer, At the checkouts, operatives wave a light
outs, operativ

data. At the end of each day obtained at each store computer transmits out the day. its sales details to a large com-puter system at head office.

The hope is to provide better management information at all

W. H. Smith has to keep track of about 70,000 individual stock items manually. Often sales details can be weeks out of date.

In the Portsmouth store alone.

prior to the introduction of Epos, 90 hours of staff rime were allocated to checking st.-ck levels against sales. With a fully

pos to iron out all the a high speed data network to problems with the system. Mr the head office computer in shilling for the system's development commented: "If you can't have a central file of each stack that the head office computer in shilling for the system's development commented: "If you can't have a central file of each stack that the head office computer in shilling for the system's development commented: "If you can't have a central file of each stack that the head office computer in shilling for the system's development of the head office computer in shilling for the system."

business. The back office computer
Electronic point of sale keeps track of each till's trans(Eposi is the use of electrocic actions and management data fills linked to small computers on the amount of goods sold in the store which gather sales through each checkout can be obtained at any time through-

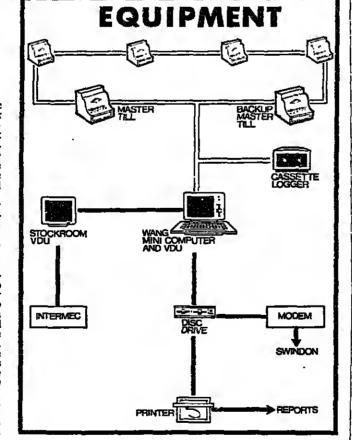
Orders are produced elec-tronically and transmitted to head office. The computer system suggests order levels to more accurate picture of stock movements and can order goods which match sales more closely.

against the orders stored on the system so that discrepancies can be identified quickly and action taken.
The investment in the system

integrated computer system, the company hopes to cut this down to practically zero.

It has taken more than four years of experimenting with Epos to iron out all the system with the system with the head office computer in John Read, who bas responsibility for the system's development commented: "If you can't commented: "If you can't cope wilb Christmas, you haven't got a system."

The W. H. Smith system will the installed by Data Terminal Systems, part of National Semiconductor, the U.S. electronic components group. This will



via the industry's Tradanet system.
Installation of the Epos
system will begin in July at six
W. H. Smith branches in the
Chiltons area. The network will be complete within three years four or eight digit code for each linking 100 of the company's item sold, as is done with other wholesale bouses in addition to the 360 high street stores.

For W. H. Smith, one of the Customers in Portsmouth

reached more than 60 per cent. time is saved in simply moving a light pen across the goods instead of having to key in a

QUICK METHOD OF ELECTRICAL AND COMMUNICATIONS WIRING

### MK Electric launches power line system

munications outlet sockets can ducting. The central channel switched socket outlet, double

K that ....... 2 to 1,000 M. High Minist Conference of the continued of

MK ELECTRIC bas launched a surface-mounted 63 ampere bushar trunking system that provides a versatille and, it is claimed, cost-effective alternative to conventiaonal "hard wiring" that would normally be sunk into walls with outlets at fixed positions.

With the new system, called Powerline, both power and communications outlet sockets can munications outlet sockets can be positioned wherever they are contains the three mains bushars (line, neutral and earth) and this is fianked above and this is fianked above and this is fianked above and direction for MK which has prevailed.

The development is a new direction for MK which has prevailed in the duction of the duction and circuit protection components, rather than distribution systems for power and fixed positions.

With the new system, called Powerline, both power and communications.

With the new system, called Powerline, both power and communications outlet sockets can be low by ducts for low voltage accept normal 13A plugs to below by ducts for low voltage accept normal 13A plugs to below by ducts for low voltage accept normal 13A plugs to below by ducts for low voltage accept normal 13A plugs to below by ducts for low voltage accept normal 13A plugs to below by ducts for low voltage accept normal 13A plugs to below by ducts for low voltage accept normal 13A plugs to below by ducts for low voltage accept normal 13A plugs to below by ducts for low voltage accept normal 13A plugs to below by ducts for low voltage accept normal 13A plugs to below by ducts for low voltage accept normal 13A plugs to below by ducts for low voltage accept normal 13A plugs to below by ducts for low voltage accept normal 13A plugs to below by ducts for low voltage accept normal 13A plugs to below by ducts for low voltage accept normal 13A plugs to below by ducts for low voltage accept normal 15A plugs to below by ducts for low voltage accept normal 15A plugs to below by ducts for low voltage accept normal 15A plugs to below by ducts for low voltage accept normal 15A plugs to below b

#### Flat screen TV on view BY GEOFFREY CHARLISH MATSUSHITA Electrical, the Matrix Drive & Deflection System

DEFLECTION ELECTRODE

MATSUSHITA DEVELOPMENTS IN TELEVISION TUBES

Japanese electrical giant, bas developed a flat colour tele-vision tube of 10 incb diagonal and a depth of only four incbes. It has already been incor-porated into a protolype TV set

which will be seen at Tsukaba Expo 85, opening March 17. The Japanese researchers partly solved the flat screen problem by tackling the funda-mental aspects of the cathode ray tube which determine the long front to back dimension namely the scanning angle. Even with scanning angles of tubes, a depth of some 10 lncbes is needed to accommodate the tube neck and electron gun in a 10 incb diagonal tube In addition, considerable scap ning power is needed to movo the electron beam across the face of the tube.

In the Matsushita tube the

screen consists of 3,000 picture cells arranged in a matrix of 200 horizontally by 15 vertically. Each cell is scanned by its own

time method. Clearly, a large number of electrodes is needed to address the picture, but much less (one seventh) of that needed for a full X-Y matrix. In addition, the beams have to move through only a narrow deflec-tion angle, resulting in a small tube depth.

FILAMENT ELECTRON Thore is no shadow mask of are performed digitally in the kind normally found in a matrix of 15 horiting across the tube width, with 200 electron beam control electrodes in front of and at right angles to the filaments.

Each beam is horizontally deflected in six steps (two sets of red, green and blue) and vertically deflected in 32 steps to form images consisting of 192,000 elements on the same face. The

to form images consisting of and vertical electrostatic lens 192,000 elements on the screen systems, to provide individual face. The complete picture is control of focusing, has still formed by the line at a resulted in very good resolu-

s control of focusing, has a resulted in very good resolution and colour reproduction, it is claimed.

Uniform electron beam characteristics to assure uniformity in brightness and purity of colour have been achieved by precision production of the electrode parts and precision assembly.

Signal processing and driving recision assembly.

Applications ranging from high definition TV to videotext.

driving red, green and blue signals. A microprocessor is used for fine adjustment of the

CERAMICS RESEARCH

### Fairey's aims for novel materials

GEOFFREY CHARLISH the development of injection 20 years. He has carried out

and mains isolating switches are available. The socket outlets accept normal 13A plugs to BS 1363.

Low voltage accessories—telephone sockets or blank plates for vorious computer sockets—are provided with an isolation enclosure to sockets—are provided with an isolation enclosure to sockets.

GEOFFREY CMARLISH

TAIREY Holdings' decision to get up a special subsidiary to exploit the group's expertise bine blades. It will also be in high performance ceramics ponents such as ceramic turble blades. It will also be in high performance ceramics for traditional and engineering epplications. Also on the board as a non-executive director is Program and countries such as automotive applications such as turbochargers and engine insulation.

The team will be led by Dr.

Th

ELAINE WILLIAMS

have to learn to live with

Olivetti.

EDITED BY ALAN CANE **Petbow** generators 20-6006kVA Pethow Ltd Sandwich Kent CT13 9NE U.K. Tel 0304 613311 Telex 96329 \_ The Market Leader .

Computing

#### Voice response

VOICE Input and response is possible with the Burroughs B20 microcomputer. A software system which allows this focility has been developed hy Yojna, a Detroit company which specialises in data

communications. Called the VIP, the system provides for a computer vocabulary for speaking to the user of 65,000 words in a number of languages.

. . .

The software allows the telephone to he used as the computer input/output device in place of a terminal key-board. Anyone with access to a telephone can have access to information stored on the computer providing the security codes are known. More details from Gordon & Gotch in the UK on 01-583 5112.

Components

### Ultra fast electronic circuits

NEC in Japan believes that lit has taken a step forward in the race to produce superfast computers based on Josephson circuits. These are semiconductors cooled to a temperature close to absolute zero. At this temperature circuits have little electrical resistance so that electrous flowing through the electrons flowing through the circuit do so at incredible

IBM has been the company most associated with the development of Josephson eircuits. Now NEC says that it has produced the fastest circuit yet made capable of carrying out calculations four times faster than existing Josephson circuits and 10 times quicker than conventional contents. tional semi-conductors.



# An Important Letter to Phillips Stockholders

### Special Meeting, Friday, February 22

Dear Stockholder:

You should have already received Phillips' detailed proxy materials dated January 31 and the supplemental information dated February 8.

We urge you to vote FOR the recapitalization of Phillips that has been unanimously approved by our Board of Directors.

The recapitalization provides you these benefits:

- A substantial premium over the prevailing market price for a significant portion of the shares you now own. Approximately 38% of your common shares will be converted into debt securities. These debt securities will have a principal amount of \$60 per share converted. Specifically, in the recapitalization, each Phillips common share would be converted into \$22.80 principal amount of debt securities (i.e., 38% of \$60) and .62 of a common share.
- New shares of preferred stock. Following the recapitalization, you will receive a dividend of newly created Phillips preferred stock designed to have a market value, on a fully distributed basis, of \$3.32 for each then outstanding common share (.62 of your present common shares).
- A significant increase in annual income from your investment in Phillips. Your current income per share of \$2.40 in dividends will increase to \$4.17 in dividends and interest payments—an increase of 74%\* In addition, you'll receive dividends on the new preferred stock.
- Self tender offer. Following the recapitalization, you will have the ability to participate in our cash tender offer for 20 million shares at \$50 per share.
- You will continue to have a significant equity interest in Phillips. With your remaining shares invested in the company, you will continue to share in the performance of a strong and independent company able to maintain a leadership role in the oil and natural gas industry.

This assumes, of course, the continuation of the \$2.40 annual dividend, which we fully expect will be the case. This also assumes an interest rate of 10% a year (a rate which will be religured quarterly) on the loating rate debt to be issued in the recapitalization.

In order for you to receive these benefits, the recapitalization must be approved by the holders of a majority of Phillips outstanding common shares. THEREFORE, YOUR VOTE IS IMPORTANT. Please vote by Toll-Free Datagram today.

Thank you for your support of Phillips.

Voice

Cordially

Wm. Colbus

WM. C. DOUCE

Chairman and Chief Executive Officer

If you need further information on voting, including instructions on voting by Toll-Free Datagram, call **Phillips** toll-free at (800) 431-2624. You may also call D. F. King & Co., Inc. collect, at (212) 269-5550 in New York, (312) 236-5881 in Chicago, (415) 788-1119 in San Francisco, or (213) 215-3860 in Los Angeles.

#### **TOLL-FREE DATAGRAM VOTING PROCEDURE**

Phillips has established the following simple toil-free telephone procedure which, if you are a shareholder of record, you may use to vote your shares:

- Call Western Union toll-free 1-800-257-4900 any time day or night. In Missouri, call 1-800-325-6000.
- Tell the Western Union operator to send a pre-paid Datagram to Phillips Petroleum Company, I.D. #F 7014.
- Read the following text of the proxy card:

PHILLIPS PETROLEUM COMPANY Bartlesville, Oklahoma 74004

Special Meeting of Stockholders To Be Held Friday, February 22, 1985.
This Proxy is Solicited by the Board of Directors.

The undersigned hereby appoints Wm. C. Douce, Melvin R. Laird and W. Clarke Wescoe, or any of them, with individual power of substitution, proxies to vote all shares of common stock of Phillips Petroleum Company which the undersigned may be entitled to vote at the special meeting of stockholders to be held in the Adams Building, 4th Street and Keeler Avenue, Bartlesville, Oklahoma, on February 22, 1985, at 10:00 A.M., CST, and at any and all adjournments and postponements thereof as indicated below.

1. A proposal to approve a recapitalization as set forth in the Proxy Statement-Prospectus of Phillips Petroleum Company (the "Company") dated January 31, 1985, pursuant to which: (i) the Company's Certificate of Incorporation (the "Certificate") would be amended to reclassify each outstanding share of the Company's common stock, \$1.25 par value (the "Common Shares"),

into .62 of a Common Share, plus one share of a new class of exchangeable preferred stock, \$1.00 par value, of the Company which will be exchanged immediately after issuance for debt securities of the Company; (ii) the Certificate would be amended to increase the number of authorized Common Shares from 200 million to 300 million and to authorize 200 million shares of preferred stock; (iii) the Certificate would be amended to provide for classification of the Board of Directors, elimination of the ability of stockholders to act by written consent and certain related matters; (iv) the current directors of the Company would be classified into three classes numbering six, five and five directors, respectively, with terms ending at the Company's Annual Meetings in 1985, 1986 and 1987, respectively; and (v) the Company would create an Employee Incentive Stock Ownership Plan (the "EISOP") and sell not more than 32 million Common Shares to the EISOP at the market price thereof.

In accordance with their best judgment upon all such other matters necessary in connection with the foregoing proposal as may properly come before the Special Meeting or any adjournment or postponement thereof.

This proxy will be voted in accordance with the specification made for the proposal. If no specification is made, this proxy will be voted FOR the proposal.

- Tell the operator how you wish to vote your Phillips shares. Management recommends a vote "FOR" the proposed Recapitalization.
- Give the operator your name and address exactly as they appear on the proxy cards previously sent to you.

NOTE: If your shares are registered in "street name" with a brokerage firm or bank, you may not vote your shares by the Datagram procedure. In this case, please telephone the party at the brokerage firm or bank responsible for your account and make arrangements to vote your shares immediately.

PHILLIPS PETROLEUM COMPANY

BARTLESVILLE, OKLAHOMA 74004

#### **Opera and Ballet**

LONDON

Royal Opera, Covent Garden: The new production of Handel's Samson, by Elijah Moshinsky in the designs of Timuthy O'Brien, is the Royal Opera contribution to the Handel ter centenary celebrations. Jun Vickers, whose Samson was one of his early whose Samson was one of his early London triumphs, returns nearly three decades later to the title role; the cast also includes Carol Vaness, Marie McLaughlin, Sarah Walker, and Robert Lloyd, and the conductor is Julius Rudel. (240 1066).

English Nadonal Opera, Coliseum: A new production of Xerxes is the ENO's Handel tribute – Charles Mackerras, one of the world's leading Hardelians conducts Ann Mur-

ing Handelians, conducts. Ann Mur-ray, Valerie Masterson, Jean Rigby, and the countertenor Christop Robson lead the cast, and the pro-ducer is Nichnias Hytner (recently of Rienzi fame). Also, fain Hamilton's Anna Karenina, a not entirely satisfying late attempt at a "romantic opera" given more than its due by a splendid ENO ensemble perfor-mance; and Tristan and Isolda (this week Reginald Goodall conducts the last of his current run). (8363161).

Staatsoper: Tannhäuser: Falstaff con-Staatsoper: Tannhauser; Falstaff con-ducted by Zedda with Loreogar, Ve-oun, Ludwig; Simon Boccanegra conducted by Marco Erede with Fre-oi, Gonda, Gbiaurov, (5324/2855). Vnlksoper: The Gipsy Baroo; The Magic Flute; The Barber of Seville; Orpheus in the Underworld conduct-

#### Theatre

**NEW YORK** 

Cats (Wioter Gardeo): Still a sellout, Trevor Nunn's production of T. S. Eliot's childreo's poetry sel to treo-dy music is visually startling and choreographically feline, but classic only io the sense of a rather staid and overblown idea of theatricality.

(239 6262). 42nd Street (Majestic): An immodest 42nd Street (Majestic): An immodest celebration of the heyday of Broadway in the "30s incorporates gems from the original film like Shuffle Off To Buffalo with the appropriately hrash and leggy hoofing by a large chorus line. (977 9020).

Torch Song Trilogy (Heleo Hayes): Harvey Fierstein's chullien! and touching story of a drag queen from

touching story of a drag queeo from backstage to ioneliness incorporates all the wild histrionics in between,

down to the confrontation with his doting Jewish mother. (944 9459). Dreamgurls (Imperial): Michael Ben-oett's latest musical bas oow become a stalwart Broadway preseoce despite the forced effort to recreate the career of a 1960s female group, a la Supremes, without tha quality of their music. (239 6200).

Glengarry Glen Ross (Goldeo): The Chicago cast from the Goodman a Pulitzer Prize for his latest worka Pulitzer Prize for his latest work-that pits fast-talking real estate salesmen against the world and each other. (239 8200). Balm in Gilead (Mioetta Lane): John

Malkovich's energetic but nostalgic revival of an early Lanford Wilson play brings back the wide-eyed, drugged oul 1960s and 70s to the accompanimed of Bruce Springsteen songs. (420 8000).

Adventures of Huckleberry Finn (Goodman): Stuart Gordon directs the Organic Theatre Company's re-vival of its 1975 local hit to com-memorale the 150th anniversary of Mark Twain's birth. Ends Mar 3. (4433800). Riches to Ragtime (Pheasant Run): World premiere of John Reeger and

PARIS

Hans Holbein the Younger (1497-1543): Thanks to the acquisi-tions by Louis XIV, the Louvre boasts one of the richest and rarest

collections of the court painter of Henry VIII. Five of his master-pieces, portraits of Erasmus and Anne of Cleves among others, retrace his artistic development, accompanied by several drawings of squally wrine importance. The exhi-

equally prime importance. The exhibition is completed by paintings from the royal collections though, mistakenly, to be by Holbein.

Louvre, Pavillon de Flore, Porte Jaujard (260 3926), Closed Tue, Ends

April 13.

Degas: His portrait of Diego Martelli and his astonishing Bureau des Cot-ons, with his Carnet 18 to be seen

ons, with his Carnet 18 to be seen for the first and last time page by page, form the highlights of o vast exhibition of the master's sculptures, paintings, lithographs. Centre Culturel du Marais, 20-28 Rue des Francs-Bourgeois (272.73.52). Every day from 10am till 7pm. Enda March 3.

March 3.

mpressionism and the French Landscape: The exhibition, conceived to coincide with the Los Angeles Olympics, treats the Impressionists favourite subject matter from an unusal angle. The 125 paintings by the great names of the movement and by Manet and the Post-Impressianists, are divided according to

ists, are divided according to

themes. Rural countryside forms one group and the means of trans-port another, as dn urban land-scapes and the maritime universe.

All show how the artists totarpreted the traditional image of France and the modern one which developed to

the wake of industrial progress. Grand Palais (2803928). Closed Tue.

WEST GERMANY

Berlin, Akademia der Künste, 10 Han-seatwenweg: 130 paintings and 70 drawings from between 1945 and 1884 by Rupprecht Gelger, the Ger-man painter. Ends March 17.

**Exhibitions** 

ed by Richter; Lehar's Land Des Lachelas conducted by Bibl; Hello Dolly. (53 24 / 28 57).

Le Traviate performed by Orchestre
Colonne conducted by Donato Renzetti in a Boan Opera production by
Luses Ronconi with Vinietta sung atternately by Diana Soviero-Uzan,
Jeany Drivala and Julia Kukely.
TMP-Chetelet (233,44.44).
Tristan and Isolde alternates with

Konrad Bohmer's Doctor Faustus, world premiere co-produced with Netherlands opera conducted by Ja-Netherlands opera conducted by Ja-nos Kulka/John Burdekin with Heinz-Jurgeo Demitz in the title role. Bohmer has reinterpreted the myth of Faust according to historical documents, turning him into a strange mixture of vulgarity and spirit of adventure. Paris Opera (742.57.50).

#### ITALY

Turin, Teatro Regio: Manoo Lescaut, with the young soprano Maria Chia-ra making her Italian debul in the otle role. Also Angelo Romero, Nico-la Martinucci and Alfredo Mariotti, ia Martinucci and Alfredo Mariotti, conducted by Michelangelo Veltri; The Geneva Theatre production of Mussorgsky's La Chovanscina (Italian versioo by Fedele d'Amico) conducted by Bruno Bartoletti and directed and with scenery and cosumes by Pier Luigi Pizzi (548000).

Rome: Teatro dell'Opera: Offenbach's La Parichale conducted by Biarluid La Perichole conducted by Pierluigi Urbini and directed by Jerome Sa vary. Chnreography by Lorca Massine and sceoery hy Micbel Lebois. In the cast are Elena Zilio, Claudio Desderi and Ugo Benelli. (481755).

#### **NETHERLANDS**

The Netherlands Opera with Handel's Ortando directed by Filippe Sanjust. The Radio Chamber Orchestra coo-ducted by Nicholas Kraemer, with Jard van Nes in the title role, and Ann Dawson as Angelica, Eindhov-Ann Dawson as Angelica, Eindhov-en, Stadsschouwburg (117555), Gro-ningen, Stadsschouwburg (142555). Insterdam, Stadsschouwburg. The Netherlands Opera production of The Rake'a Progress by Stravinsky, directed by David Alden, with decor and costumes by David Fielding.

Ed Flesch's view of scams and fast talkers by combining Scott Jopin tunes with O. Henry characters. Ends Mar 31 (2817943). On the Razzle (Absolute): Michael

Leavitt directs the local debut of Tom Stoppard's interpretation of the Johann Nestroy farce. Ends Mar

#### LONDON

Noises Off (Savoy): The funniest play for years in London, now with an improved third act, Michael Blake-more's brillian1 direction of backstage shenanigans oo tour with a third-rate farce is a key factor.

Starlight Express (Apolln Victoria): Andrew Lloyd Webber's rollerskat-ing folly has 10 mloutes of Spielberg movie magic, an exciting first half and a dwindling reliance on indiscriminate rustling around. Disneyland, Star Wars and Cats are all influences. Pastiche score nods to wards rock, country and hot gospel. No child is known to have asked for

his money back. (834 8184). n Your Toes (Palace): Rodgers Hart's 1936 musical is a genuine tonic. American jazz dance collides with the Ballets Russes. Gems toclude There's a Small Hotel, Glad to be Unhappy and the Balanchine bal-let for Slaughter on Tenth Avenue. 42nd Street (Drury Lane): No British

equivalent has been found for New York's Jerry Orbaco, but David Merrork's Jerry Oroace, our David Mer-rick's tap-dancing extravaganza has been rapturously received. Ameri-can Clare Leach is a real find as Peggy Sawyer, and Margaret Courtenay has a field day (836 8108). Mother Courage (Barbican): Fine RSC presentation by the design team of Cats - John Napier and David Her-sey - with Judí Dench as a scavengmusic hall and finally moving Courage pushing her elaborate cart of stage machinery through the Heavyside Layer. Howard Davies directs, good support from Trevor Peecock, Stephen Moore and Zoe Wanamaker, (6288795). Two Into One (Shaftesbory): Donald Sinden and Michael Williams head

the cast of a blissfully funny farce Hamburg, Museum für Kunst und Ge-werbe 1 Steinterplatz: Plastics only bas 400 objects of plastic from salt-

shakers to wireless sets from 1860 to

nue of the touring exhibition. Ends

April 8. Frankfurt, Frankfurter Kunstverein,

44 Markt: Italian art between 1910 and 1980 offers about 80 paintings

and sculptures by roughly 50 artists, among them Chirico Bocioni, Carra Mnrandi, Modugliani and Manzu.

Ends April 8.

Munich, Villa Stuck, 60 Priozregentenstr. 80: This is the first retrospective in West Germany of Guilio Turcato, the Italian artist. It has roughly 50 paintings and objects and about the same number of works on paper. Ends March 10.

NETHERLANDS

S. Jessurun de Mesquita: Prints, drawings and decorative designs trace the career of this exponent of Art Nouveau who managed in combine simplicity and crispness of line in his woodcus of people and animals with the bizarre extravagance of the "sensitivistic" drawings — fevered

with the bizarre extravagance of tha "sensitivistic" drawings - fevered caricatures with a surrealist tinge. Amsterdam, Jewish Historical Mu-seum. Ends March 10 (closed Mon). A smaller exhibition of the sensi-tivistic drawings runs concurrectly in Botterdam Boymans-van Beu-

in Rotterdam, Boymans-van Beu

in noticerasm, Boymans-van bea-ningen Museum.

Amsterdam Historical Museum. A show of 19th-century topical prints which met a popular demand for po-litical comment. Illustrations com-memorating Important evants in Dutch history, and souvenirs of roy-

al occasions. Ends March 3 (Print-

room closed Sun, Mon).

paper. Ends March 10.

Ends April 8.

1960. Ends April 5. Hamhnrg Kunstverein, Glockengiess-

#### Edo de Waart conducting the Radio Chamber Orchestra, with soloists Sberi Greenawald, Neil Rosenshein and Thomas Stewart (Sun, Mon and Wed). (24 23 11).

Music

Milan: Teatro alle Scala: Soprano Lucia Popp accompanied by Geoffrey Parsons. Schumann (Moo). (809125).

Rome: Auditorium via Della Concillazione: The pianist Bruno Leonardo Gelber, Bartok, Janacek and Brahms conducted by Christoph von Dobnanyi (Mon and Tue). (8541944).

Rome: Teatro Olimpico: (Piazza Gentile da Fabriano): The soprano Edita Gruberova. Mozart, Strauss, Charpenter. Prokofiev and Thomas, with the Santa Cecilia Chamber Orchestra conducted by Friedrich

with the Santa Cecilia Chamber Orchestra conducted by Friedrich
Haider (Wed). (393304).
Rome: Teatro Ghione (via Delle Fornaci 37): A juke recital entitled Cavalleria Britannica (Tue). (6372294).
Rome: Oratorio del Gonfalone (Vicolo
Della Scimia 1/B): The Gonfalone
Chamber Orchestra conducted by
Giovanni di Stefano playing four
Bach concertos with the harpsichordists Mariolina de Robertis and
Bruno Canino (Thur). (655952).

NETHERLANDS

msterdam, Concertgebouw. The Schönberg Ensembla under Reinbert de Leeuw, with Barbara Sukewa, narrator, and John Bröcheler, bass-baritone. Pierrot Lunaire and Lieder eines fahrenden Gesellen (Tue). Recital Hall: Tha Melos Quartet. Dvorak, Hindemith, Beethoven

(Wed); Ulf Hoelscher, violin, and Mi-chel Béroff, piano, Schubert, Ravel,

Belia Davidovich, piano: Beethove

Claude Delangle, Saxophone, Odile Delangle, piano: Milhaud, Hinde-mith, Bartok, Villa-Lobos (Tue 8.30pm). Théâtre des Champs Ely-sèes (7234777).

LONDON

Vladimir Ashkenazy with Elisabeth Soderström, soprano. Sibelius and Dvorak, Royal Festival Hall (Tue).

(9283191). ournemouth Symphony Orchestra conducted by Rudolf Barshai with

conducted by Rudoff Barshai with Alicia de Larrocha, piano, and Shei-la Armstrong, soprano, Mozart and Mahler, Royal Festival Hali (Wed), Academy of St Martin-in-the-Fields

directed by Kenneth Sillito with Mi-

chala Petri, recorder. Handel, Tele-mann, Rossini, Vivaldi and Suk. Queen Elizabeth Hall (Wed). (9283191).

**NEW YORK** 

The Waverly Consurt (Alice Tully): Mi-chael Jaffee director. Janequin's Chant des Oiseaux among Renaiss-ance favourites (Thur). Lincoln Cen-ter (352 1911).

York Philharmonic (Avery Fish vew York Philharmonic (Avery rish-er): Kurt Masur conducting, Arleen Auger, soprano, Vinsoo Cole, tenor, Westminster Choir directed by Jo-seph Flummerfelt, All-Handel pro-

me (Tue); Erich Leinsdorf con-

ducting Malcolm Frager plane. Cop-land, Bartok, Brahms (Thur). Lin-

WASHINGTON

National Symphony (Coocert Hall):
Rafael Frühbeck de Burgos conducting, William Steck, violin. Ravel,
Beethoven. Bartok (Tue): Rafael
Frühbeck de Burgos conducting. Juliana, Markova, piano. Rossini,
Grieg, Berlioz (Thur). Kennedy Center (2513778).

CHICAGO

Chicago Symphony (Orchestra Hall): Claudio Abbado conducting, Yuzuko Horigome violin, David Schrader harpsichord, Claudio Abbado harp-sicbord, May Sauer harpsichord.

TOKYO

Vienna Chamber Music Consort: Mo-

zart, Schubert, Beethoven. Tokyo Bunka Kaikan (Mon). (496 0959).

(4358122).

programme

coln Center (8742424).

ia Orchestra conducted by

anowski, Richard Strauss

mann (Mon). Salle

Szymanowski, (Thur). (718345).

Brahms, Schumar Gaveau (583 2030).

Berlin, Deutsche Oper. This week's highlight is Lohengrin with Wagner specialists Rene Kolln and Sabine Hass. Die Fledermaus is an Otto Schenk production. Carmeo, sung in French, is steered to triumph by Teresa Berganza. The controversial productum of Handel's Messiah in a scenery version by Achim Freyer, has the British cooductor Christopher Hogwood Lucia di Lammer-moor brings together Kaja Borris and Franco Bonisolli. (34381).

and Franco Bonisolii. (34361).

Frankfurt, Opera: La Bobème with Alberto Cupido as Radolfo. The highly acclaimed production of Berlio's Die Trojaner is again offered with Anja Silja and William Cochran. Don Pasquale closes the week. (25621).

Metropolitan Opera (Opera House) Thomas Fultoo conducts this sea son's first performance of last sea-soo's new Ernani, starring Montser-rat Cabelle, Ermanho Mauro, Pablo Ehrira and Paul Plishka. Die Meistersinger joins the repertory conducted by James Levine with Mari Anne Haeggander, Edward Sooter and David Rendall, James Levine also conducts the premiere season of Nathaniel Merrill's production of Of National Mertil 5 production of Purgy and Bess, designed by Robert O'Hearn, with sopranos Grace Bum-bry and Myre Merritt, bass Simoo Estes and baritones Charles Williams, Gregg Baker and Bruce Hub-bard. Neeme Jaervi conducts the last seasonal appearance of Eugene Onegin starring Kay Griffel and Leo Nucci. Lincoto Center (362 8000).

Buto: The first festival concludes with Kyoto-based Byakkosha group of particularly grotesque style (Moo); Kazuo Ohno, 78 years old and still dancing, father of modern Japanese dance in the famous and poignant tribute to 1920s flamenco dancer La Argentina (Tue. Wed). Yurakacho Asahi Hall, (5800031).

by Ray Cooney In the old Whiteball traditioo. An irale manager, Lionel Jeffries, declares: "There's far too

much sex going oo in this botel, and I'm not having any of it." Not to be missed. (3795399). Waste (The Fil): Riveting RSC revival directed by John Barton of Gran-ville Barker's 1907 once-banned play about a politician destroyed by an adulterous liaisoo leading to an abortioo, a death and a suicide. Daniel Massey, Judi Dench, Charles Kay, Tony Church and Mark Dig nam to a stellar cast. (628 8795).

TOKYO La Cage aux Polles, The Japanese version of the spectacular Broadway hit portraying the female impersonator's night club from which the musical takes its name. Despite Broadway direction (chore-ography: Lioda Haberman; set: Dav-id Mitchell; costumes: Theoni Aldredge) the show lacks the vitality of the original and is just not camp enough. Starring Masumi Okada, Mamasomi Koodo. Imperial Thea-

Mamasomi Koodo, Imperial Thea-tre, (2124611).

Kyolu Jidai (The Age of Fear) hased on the play by Jun-Ichiro Tanizaki, one of Japan's best modern novel-ists (much of his work has beeo translated into English). Story is about a fendal menage-à-troise and plot to poisoo the iord of the manor. Nissei Theatre. (near Imperial Hotel). (591 7633). Buaraka Traditional Puppet Theatre

5-foot tall puppets, three manipula-tors to each, are the "cast" io this sister-form of Kabuki. The toternationally acclaimed Osaka troupe's February visit consists of an all-Chikamatsu (Japan's greatest play-wright) programme. Most of the wrighl) programme. Most of the plays are set in 18th century Osaka and, typically, based on daily lives of merchants and common people and their conflicts especially between love and duty. It is the first time that Ikudama Shinju (Double Suicide al Ikudama) has been extend since its first performance in staged since its first performance in 1715. Excelleo1 English earphona commentary and programme notes. National Theatre Small Hall

the work of one of the most popular masters of modernism, still at work in his 99th year and last survivor of the artists' Paris of its great period before the first world war. Chagall, for all his popularity, bas

Hamhnrg Kunstverein, Glockengiesserwall: More than 120 oil paintings
on paper from 1948 to 1957 by Joseph Boys. This is the first time
these works have been shown to the
public. Ends March 31.

Hanover, Kestner Gesellschaft, 18
Warmbüchenstrasse: A retrospective of Marc Chagall's works on peper from 1907 to 1984 has rooghly
200 drawings, goueches and watercolours. This is the only German vemue of the touring exhibition Ends remained a maverick artist, idiosyn-cratic and independent, and bard to categorise. We now see, however, that he has always been a good artist, and at times, most notably in that first time in Paris after 1810, a nid age, moreover, does him more than credit, representing on falling off in its technical command or im-aginative authority, but simply a restatement of the poetic images and ideas that have always baunted him and he has made his own - the soaring and floating lovers, the clowns and musicians, the flowers and trees, and that strange, colourful domestic bestiary of cocks and bens, goats, cows and asses.

Renoir - a survey of the life's work of the artist who, more than any other, the artist who, more than any other, has come to be seen as the quintessential Impressionist. Yet this easy labelling is now shown m be a gross and misleading over-simplification. In Renotr, mnce the label falls away, we find a wonderfully instinctive painter, aware of whal his fellows were doing and responsive to it, but never the creature of theory, analysis or programme. The later works, hitherto considered so difficult stand as major works in their own right. Organised by the Arts Council right. Organised by the Arts Council and sponsored by IBM, this fasci-naong and beautiful show goes no to Paris, where it will be much ex-

### teoded, and to Boston.

Naples: Museo di Capodimonte: 'Na-ples in the 17th Century': for lovers of Baroque. An exuberant exhibi-tion of paintings, marbles, silver and furniture dating from a period

Tokyo Metropolitan Symphony Gr-chestra , conductor: Gary Bertini. Mahler Symphony on. 9. Tokyo Bunka Kaikan. (Tue). (8220727). when the city was the second in Europe after Paris, Ends April 14. The Royal Academy: Marc Chagall – a full retrospective (organised by the academy in association with the Philadelphia Museum of Art, to which it travels later in the year) of years which have taken place every 50 or 25 years since Boniface VIII's first in 1300. Of particular interest is Caravaggio's The Conversion of Sar Paolo (which belongs to the Odescal

chi family, and is not normally or

public view) and the Veronica by El Greco, receotly discovered in the Capuccine monastery in Toledo. Ends April.

Florence, Palazzo Pitti: Infani Princes
Children's Clothes in the 17th century: A curious exhibition of 24 purtrants from the period when children began to be autonomous subject began to be autonomous subjects for paintera – mainly the Medici children. The paintings travelled, as photographs would now, between Florence, Rome and Vlenna for the benefit of noble grandparents and prospective suitors. Until April 21.

#### WASHINGTON National Museum of American Art: 49

works by five 19th century black artists bighligh a show of a little-known area of American art. It re-minds the world of Joshua Johnson. the first recognised black American portrait painter, Henry Ossawa Tan-ner, a student of Thomas Eakins and neo-classical sculptress Edmo nia Lewis. Ends April 7. CHICAGO

#### Art Institute: 82 great architectural drawings cover the last five centu-ries in this show lent by the Royal Institute of British Architects. Ends Mar 31. TOKYO

who limits his output to three major works a year exhibits 35 paintings. Tokyo Metropolitan Teien Museum. Ends Mar 21 (4432021). Ends war 1 (445221).

Yamato-e (traditional Japanese peintings, of 18th century on, usually landscapes). Suntory Museum, Akasakamitsuke (oeu New Otani Hotel). Ends Mar 31.

Alex Colville, Canadian realistic artist

### Cinema/Nigel Andrews

### Fantastic—but where's the plot?

Brazil directed by Terry Gilliam Places in the Heart directed by Robert Benton L'Amour A Mort directed by Alain

Why is Terry Gilliam's Brazil called Brazil. It isn't set in Brazil and it has nothing to do with Brazil. My suggestion for a litle which would capture the film's mood and lineage is: Alice in Wonderland Meets Blade Runner' Amid Sets fuspired By Pirnnesi With Frequent Pastiche Tributes to "1984" And The fearus Legend. For Brazif is too much of

everything and not enough of anything. I suspect that the wonderous Gillfam. who formerly was Monty Python's animator, is suffering from eleanimator, is auffering from ele-phaniasis of the ego after the American reviews of his last film. The Time Bandits. Over there, they thought ft was the best thing since sticed Tolkien. How will they greet Brazit, in which Gilliam has upped the whimsical anle with a 2½-bour time, place and dimensionhopping fantasy about a Minis-iry of Information pen-pusher (Jonathan Pryce) pushing out into realms of wishfulfilment? He pursues a distressed damsel (Kim Greist); he fights the forces of bureaucracy in the 1984-style nightmare city in which he lives (with its beetling which he lives (with its beetling office blocks and buge, grey, hunker-style interiors), he joins rehel forces with a paramilitary heating engineer (Robert De Niro); he dreams of flying white-winged through the clouds, a modern Icarus; and he plays \$\foats \text{Coartee to every drawn.}\$ plays St George to every dragon of authority from bis Mum (Katherine Helmond of Soop) to his bosses (Isn Holm. Isn

Richardson). The only quest in which be falls is that for a plot. As a movie, Brazil does not move. The sets and sel-pieces often are astounding, from the cloudy Birdman daydreams to the vast and gloomy power-palaces on Earth (combining Metropolis futurism with a shadow-racked Forties' look); from the electronic Samural giant our hero fights in an alley 10 the spaghetti holocausi of beating pipes that erupt in his fial one

night, making It look like a rubberised version of the Florida Everglades. But as we stagger from one coup d'oeil to the next, there is no sense of a narative desti-nation to lend it all pace and purpose. We scarcely know why the hero is assailed constantly by sinister heating repairmen (Bob Hoskins and Derrick O'Connor); why he pursues his dream girl with such mazy inexpertise (unless it's to tease the film out to 142 minules); or what we're supposed to make of the constant terrorist explosions in shops or restaurants.

Amid the eager swell of Stakhanovite. cameo performances (De Niro, Nestor Ali



Jonathan Pryce in Brazil . . . he might have saved it

Jonathan Pryce battles bravely and hrightly. He looks a far likelier film actor here than he was as the smugly acerbic journalist in *The Ploughmon's* Lunch. If Brazil had been an bour shorter, he might have saved it. But the monster is too large its coils defeat the most Herculean efforts. Gilliam has a visual imagination as rich as any film-maker in Britain: If only he had a coberent

dramatic vision to go with it. Robert Benton's Places In The Heart is one of the New Depression movies coming out of America Like Country (open-ing next week) and the coming The River, it's an up-against it farming epic showing that anything the Johns Ford and Stein-beck could do in the 1930s, Hollywood can and will do in

Benton's movie starts out like The Crepes of Wrath. Driven in widow's weeds when ber sheriff busband is shot, Sally Field channels ber stoic anger into farming her land; several dozen acres of gleaming pufficients. white cotton she'll darn well harvest with a little help from her blind white boarder and her black foreman, beating the neighbours to market as well as her hank's foreclosure plans. arhythmia. It's as if two Place: Waxahachie, Texas Ben-different films bave collided; a ton's own birthplace). Time: 1930s. Mood: Elegiac-pastoral-

-Hollywood's answer to Grandma Moses—but they're. also buffed into exquisitely-varied tones by time and season: the harsh golds of a summer noon, the sieved and limpid

white light through a curtain, the broody cobalt of a summer spurred on by her competing farm pals. By a sublime alchemy the film taxes stereotypes—the Christ-like blind man (John Malkavich), the son-of-the-earth negro (Danny Glover)-

and turns them into archetypes.
They're at once simple and
grand old and new, comic and
cosmic: part of a lightlylyricised Homeric vision of America the Beautiful. This is Benton back to his best—the writer of Bonnie and Clyde and director of Bad Company, who finds lbe beating heart of his country in the countryside.
Only in a sub-plot involving Ed Harris and Lindsay Crouse, as a neighbour couple riven vio-lently by adultery (his), does the thump of impending meio-

Stakhanovite. The Heart is timeless, tough Nestor Almendros's colour and lyrical with a matching Holm and Helmond doing best), photography lifts this feminist- performance by Sally Field; an

on-a-farm fable clear into the explosion of fight and friz curls realms of poetry. The hues are round a pretty tomhoy face that primitive, primary and piquant could break your beart.

Alain Resnais's L'Amgour A Mort could break your brain cells. Deep in the French countryside Saoine Azema's hushand, Pierre Arditi, dies from a stroke. Then, he comes back to life. Then, several reels Director Benton seems spurred on by his chromatic genius, just as Widow Field is spurred on, by her command to the considered a misfortune to the considered at the considered at

Meanwhile, an ordained couple, Fanny Ardant and Andre Dussolier, raily round offering their friends advice about both this world and the next (whither Mile Azema wishes to follow M Arditi). Does love survive death? Should it cross the barrier of the grave?:: To call this film obscure would be like calling the Great
Pyramid of Cbeops biggish. It
glooms abstrusely from one
eschatological dialogue to the
next, punctuated only by
sequences in which the screen

goes black (or snow-flurried) and we hear the squeaks and tingles of Hans Werner Henze's music. There are moments of magnificent Resnais mystery—a drama cause a moment of breathless camera through the night to a lighted bouse a candle guttering like a failing heart—but they are interspersed with far too many moments of off-the-peg Resnais mysticism and outright Resnais obscurantism.

### Mantis/ICA Clement Crisp

It is probably unrealistic to solos and ensembles to words, suppose that evenings of post-modern dance are going to yield many great revelations, choreographic or theatrical. The hest one can hope for is some innovatory moment, some fresh angle on the generally austere procedures of the genre. The worst one can expect is pretention and that sterility which comes from minimal invention deployed in minimal dance. This I found minimal dance. This I found the depressing fact of the new Mantis company programme on Wednesday.

Of the two works on the bill, the hirst-Micha Bergese's Stage 7-was a collection of

electronic sounds and gultar music by John-Marc Gowans, which had a white-clad cast involved in dances of severely limited interest. There seemed a deliberate informality about the piece, the dancers chatting or alpping coffee when not in movement, or grouping in con-tact games and confrontations which led to no real cilmax. The most interesting passages

featured the lithe, mercurial Bruce Campbell in brief solos, and found Mr Bergese in a slow-motion duet with Kaye Brown, hut these apart, the work verged too much upon warm-up

routines and classroom study to make much other impact. Considerably longer, and vastly more tiresome—registering about mine of my own Richter scale of tedinm — was Timothy Buckley's Breakneck Hotel. In this six dancers, in manic street dress and armed with suitcases, included in an interminable series of what I took to be children's games (the sort of games you tell children to stop, in the hope that they will do something sensible with their time and energies). Run-

pastorale has humped into a film noir. Elsewhere, Places In

very occasionally — starting up little dances, the performers in-habited their dim world of make-believe, and suggested to me nothing more than the futility of their activities and the thin fabric of Mr Buckley's dance imagination

Broce Campbell was again noleworthy for the sharpness of his presence as a master of these ceremonies, but the rewards of the piece were otherwise Imperceptible. At one point earlier in the evening, one of the dancers declared "If you've got somening falling, shouting, playing with cloths and chairs, caught up in some private ritual of follow-my-leader, occasionally—for the whole performance.

#### Man Equals Man/Almeida **Michael Coveney**

The main interest of Brecht's stripped brick walls are as Kiplingesque Man ist mann, ever, a design in themselves. bere given in the translation of Gerhard Nellhaus, is its study of a split personality, the first of Brecht's experiments in this field before Puntila and the Good Woman. Galy Gay is an Irish docker in cofonial India who sets off to buy a fish. He enda up with an elephant, annther identity, a rigged trial and an execution.

Hardly worth leaving home for, really. The trouble starts when three soldiers who have looted an Indian temple need a substitute for the fourth whose hair bas got stuck in a door frame. The military roll call must be heeded and Timothy Spall's O'Casey-ish Galy in a black cap and jacket finds him-self absorbed in a marching routine and the persona of the inp-knotted Jeraiah Jip. By the interval he la disowning Mra Gay; by the end, having delivered an nration over Galy'a coffin, he is part of the human faction machine medium and wining out. fighting machine and wiping out a village of innocent Tibetans.

The Almeida production has a last ditch replacement direc-

A good cast Includes Miriam Margolyes as the lascivious Beghick, a pre-Courage canteen widow, who is bappier handling cucumbers than the unfortunate seiting (by Benedict Mason-not his hest score) of "the Song of the Flow of Tolings" Nicholas le Prevost as the devious Uriah; and a subdued John Sessions who pops up as an olly pagoda curator and an

The decline of a sensual aergeant whose sap rises when the rain falla is nicely done by Peler Jonfield. His act of selfmutliation coincides with Galy's hour of glory.

unimpressed, rather louching,

Mrs Gay.

It is impossible now to view the play in Markian terms, as Brechi inlended, of an individual submitting to the collective wilf of society. But Mr Spali's quivering, fehrile performance, which prospers on a curious mixture of sweati-ness and delicacy, offers a still fascinating picture of a two-way character at retch. The production closes him down tight in the prison cell: he leaps free the prison cell: he leaps free after a well-expressed struggle of the happens. The result is more than adequate. A box of heer crates represents the pagoda, and the theatre's wheel of destruction.

#### Knot Garden/Royal Academy Richard Fairman

some demands on young per-formers. Dramatically innova-tive and musically complex. they do not often find their way on to the music colleges' productions lists, as the operas of Benjamin Britten do now. One other atudent body (Northwestern University, Chicago) has tried The Knot Garden before, though with consplcuous lack of success. An American crinc found the opera short-winded, the musical prosody tortuous, and the subtexts Decadent Chic." Now the Royal Academy of Music has taken up the challenge, lanuch-ing its Tippett festival with a success in one of the com-poser's most difficult works.

Tippett's operas make awe-

In the revised orchestration made by Melrion Bowen first performed in the Opera Factory production last year, the work is sensibly reduced in scale for student performances. Twenty-two players are stipulated in this chamber version, though the Academy has made minor adjustments to suit its resources. The orchestral colonrs remain hrilliant and the opera quintessentially Tippett'a. Unlike the Opera Factory per-

jections represented the changea of scene. Almost every move-ment faithfully depicted actions detailed in the librello hy the composer.
Ideally this opers requires

stage performers of some experience. There is no narrative to guide the unwary; the characters do not present straightforward personae. Stage deportment is crucial ond, though the dance that accompanied the blues ensemble the end of the first act had its comic moments, the soloists for comic moments, the soloists for the most part sustained convinc-ing, unexaggerated portrayala. Deryn Edwarda as the disabled freedom fighter Denise, was especially impressive in a role that is physically (as well as musically) exacting. Elsewhere too musical stan-dards were triumphantly upheld. Anne-Marle Hetherington sang

Anne-Marle Hetherington sang with warmth and strength as the isolated wife Thea; Charles the isolated wife Thea; Charles Naylor as her husband Faber, though wanting the decisive, worldly aspect of the role, was impressive vocally. Jane Webster was the Ingenuous Flora and David Barrell a sinister Mangus, the Prospero-like conjuror of events. Under Nicholas Cieobury the orchestra played with virtues of fair. It Onlike the Opera Factory performances, this production by Nicholas Cleobury the orchestra David William kept closely to played with virtuosic flair. It the letter of the score. The was, in all, an excellent stage showed the enclosed "knot production of the title; light pro-



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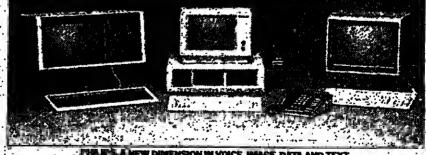
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Friday February 22 1985

### Quotas have nine lives

because quotas become a fect of life to which whole marketplaces adapt. The importer's commitment to a distorted mix commitment to a distorted mix
of price, volume, profit margin,
product design and local
sourcing becomes established to
the point where he prefers the
quota system to continue.

There is a chance thet next
month will provide a fresh

demonstration of this paradox in the case of the voluntery quotas on cars imported into the U.S. market from Japan. It is no secret that these quotas were negotiated between the two countries when they were restraint of Japanese car im-imposed in 1931 end thet negotialions about their future are continuing todey. But it is not impossible thet, when the day comes, the Reagan Administration will state that in keeping with its commitment to free trade it has not sought a renewal of quotas, thet tha Japanese will decide to contimue some form of quota "in the interests of harmonious trading reletions with the U.S." and that the industry lobbyists in Washington will consider it all a job wel done.

The contentment of all concerned will be paid for by the U.S. consumer who, according to a recent study by the Federal Trade Commission, bas paid an average of \$400 extre per car since 1981, or a total of \$1.1bn, because of the system.

Japanese car makers typically export between e quarter and one-third of their car output to the U.S. market and it is not herd to construct a Japanese case for continuing the current system. The Jepanese motor industry makes high profits in the U.S., which belp finance an intense price war for the custom of the Japanese con-

IMPORT quotas bave an insidious tendency to become self-perpetuating. This is not merely beceuse the protected industry in the importing country falls to edjust, and keeps up its political lobbying against free trade. It is also because quotas become a fect preservation of a high national porter to maximise market share through price cutting — the preservation of a high national price level has its own compensating attractions.

The FTC study suggested that each U.S. job saved through import quotas cost the U.S. economy \$240,000 a yeer. Yet Europeans are in e poor position to tell the U.S. Administration that it should request tion that it should request ebolition of the car quotas for the benefit of the U.S. consumer and for the long-term good of the U.S. economy. Europe itsetf, including free-market Britain, shelters behind voluntery plating its removal.

Several Japanese car companies have invested, or are investing in manufacturing capacity in the U.S. If, taking their position into account, the Japanese industry and govern-ment decide relatively spontanenusly that their best long-term marketing strategy in the U.S. is to continue with self-restraint, it will be hard for anybody to make a forceful case against the decision.

Yet Europe will bave good reason to be disappointed if the quotas linger on. Car import restraint, and the similar arrangement currently being negotiated between the U.S. end Japan on sleel, insulate the U.S. Government from the consequences of the excessive valuation of the dollar. They ere indeed pert of a convenient trade-off between the U.S. and Japan whereby Japanese savers, including profitable car companies, finance part of the U.S. trade deficit by storing their wealth in U.S. dollars. American consumers then benefit from the strong dollar to buy goods from

President Reagan has spurred custom of the Japanese consumer in the home market. By sparing American industry in neuralgic sectors like steel and cars, the Japanese euthorities can dampen down U.S. protectionism and preserve the access of bighly competitive Japanese manufacturers across the whole

Sources of low productivity

ally in edvanced technology, is often seen as the key to raising the competitiveness of British industry. Yet the explanation for Britain's low productivity compared to countries like Germany and Jepan lies in the amnunt of investment in new plant and machinery, but in the way plant is used. It is in the down-to-earth field of production management — frequent machine breakdowns, poor maintenance procedures, madequate attention to quality con-trol-where Britain's performance is demonstrably worse than thal of her competitors. These deficiencies eppear to stem from low technical competence on the part of the British managers end workers, especially fore-men, who are concerned with the production process.

This is not a new message. but it is usefully and convincely restaled in an article in today's issue of the National Institute Economic Review, presenting the results of an inquiry into productivity, machinery and skills in e matched sample of 45 British and German manufacturing plants.

Differentials

On everage, labour productivity in the German plants was 63 per cent higher than in their British counterparts. The difference was not due to economies of scale or greater batch sizes on the German side: the plants which were compared mada similar products la similar volumes. It was not due to over-manning on the British side; perhaps because of the shake-out that has taken place in the UK in the last few years, there was no great difference in manning levels between the two countries, at least as far as direct labour was concerned. Fqually, there was no significance in the age of the machin-ery used in the two countries, although the German equipment was more technically advanced: in particular, the German companies, even the very smallest. showed e wider appreciation of the benefits of numerical con-

Much the most important dlfference, the inquiry found, was in the quality of manpower. About haif of those working on the shop floor in Germany had an apprenticeship-type qualification compared with a quarter In Britain. "This was combined with larger pay differentials in most serious weaknesses persist.

Germany between skilled and semi-skilled workers. In addition the pay of German skilled workers tended to be releted to their experience according to an accepted scale, while British skilled workers were more often all paid at the same rate."

Crucial to sbop foor perform-ence is the foreman. Most of the British foremen in the plants visited bed acquired their position through experience in the factory, with no formal qualifications. Their German counterparts bad been trained as craftsmen and elmost all of them bad acquired the higher certificate of Meister. involving not only technical skills but also proficiency in staff supervision and work organisation. The Meister has responsibility for much of the detailed work in the manufacturing operation; it is in their attention to detail where the Germans bave the edge. The British foreman, because of his lack of technical competence. has to be supported by a staff of specialists

Above the foreman level the German production manager is normally a graduate engineer, whereas in Britain the position is usually held by people with a sales or financial background or by persons who have learned on the job. These non-engineers tend to be less receptive to innovation; their lack of tecbnical understanding leads to delays in installing complex delays in installing complex equipment because they are afraid to "chance their arm."

Despite the advance of new technologies, skill - intensive small-batch engineering operations of the kind covered in the control of the control of the control of the kind covered in the control of th the inquiry are likely to remain a substantial part of manufec-

turing industry in developed countries. The need for a high level of technical competence at all levels, from machine operator to production manager, cannot be by-passed by automa-tion and computer control; non and computer control; indeed, the successful introduction of these techniques will ltself depend on the akills of the people installing and using

The lesson of the inquiry is clear. A concerted effort by industry and government to raise the level of technical competence in manufecturing is urgent. The Youth Training Scheme should eventually help to raise the proficiency of the unskilled section of the workforce, but it is et the intertraining of foremen—where the

THE BATTLE FOR PHILLIPS PETROLEUM

### Test case for the raiders

By William Hall in New York

TIMETABLE OF A COMPANY UNDER SIEGE

HEY bave opened e book on the take-ovar battle in Las Vegas," confided a aenior executive of Phillips Petroleum over dinner in an expensive Menhattan restaurant earlier this week. "I hear the odds ere four to one that we stay independent."

Perhaps lbe "bigb rollers" in Las Vegas know something that the rest of the investment community dnes not, for the word from the punters on Wall Street is that today's special meeting to vote on Philipps' controversial plan to remein independent is going to be a far closer call.

The battle has pitted Phillips Petroleum, the ninth biggest U.S. oil company, and one of the most conservative, against the best known corporate raiders on Wall Street. It bas highlighted the widely differing views of some of the best investment banking end legal talent in the land, and as the battle has unfolded It has touched some emotionel chords which few would have

predicted.
The 38,000 people of Bartlesville, Phillips Petroleum's home from organising prayer meet-ings to save their company, to bombarding the company's anonymous institutional shareholders with boxes of cookies ingrained with the message
"Have a heert — vote
for people." Oklaboma's politicians have been working overtime to belp rescue the state's biggest employer from the Well Street "sharks."

Mr Carl Icahn, the 48-yearold Wall Street financier who is leeding the fight against Phillips, sees the situation very differently. Ha has a low opinion of U.S. corporate management, which he describes as generally inadequete, and is a fervent believer that what be is doing is good for the U.S. economy. "A lot of U.S. menagements fly around in their jet planes and go to their hunting lodges where they live like nobility of old. But they do not own the com-pany," seys Mr Icahn, who argues that one of the great

argues that one of the great problems of the economy is the lack of management answerability to shareholders. Not without reason, he has been dubbed "the man chief executive officers love to hate."

This is not the first time that takeover fever has swept through one of America's biggest and most traditionally managed industries, as the U.S. oll business tries to come to terms with falling oil prices and sharply reduced demand. sharply reduced demand.

Last year alone, Chevron, exaco and Mobil spent \$29bn buying Gulf, Getty and Superior Oil respectively. But to dete no other recent corporate flight has focussed attention es clearly on so many of the issues being botly debated in America's boardrooms, as the bettle for the soul of Phillips Petroleum. If you were writing e script on the sorts of problems Wall Street and blg business are wrestling with, in their efforts to curb the excesses of the curOil (now part of Phillips) would not bar Mesa from bidding for Phillips. Phillips decides to seek peace. December 24, 1984—Phillips and Mesa Partners

December 4, 1984-T. Boone Pickens' Mesa

Partners says it has 5.8 per cent of Phillips and announces a tender offer for an additional 15 per

December 20, 1984—Court rules that 1983 stand-

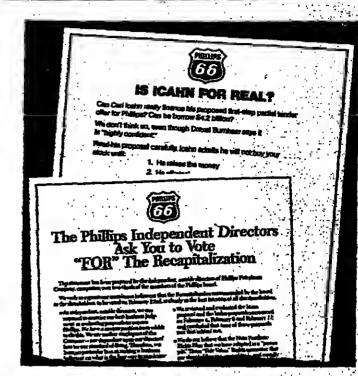
still agreement between Mesa and General American

announce settlement. Recapitalisation plan involves swapping 38 per cent of Phillips shares for a package of debt securities designed to have a value of \$60 per share; Phillips says overall package worth \$53 per share; Mesa promised \$53 per share cash in return for promise not to worry Phillips for 15 years.

February 4, 1985—Carl C. Icahn bids \$55 per share for Phillips, half in cash, the rest in securities and reveals he owns 7.5m shares; argues Phillips package is worth \$42 per share, not \$53.

● February 7 1985—Phillips rejects Icahn bid and sweetens its own terms. Says it will only agree to sale of company at \$62 per share or more. Adopts. "poison pill" to strengthen its defences; Icahn revises offer.

● Fehruary 15, 1985—Icahn announces he has \$1.5hn of the \$4.2hn needed and says he's confident Drexel Burnham, his investment bank, can raise the rest:



rent merger wave in the U.S. while improving the accountability of management to shareholders, the Phillips saga would provide an ideal case study.

cent at \$60 per share.

■ The role of the institutions. After years of sitting on the sidelines, the blg institutions have begun to flex their muscles for the first time in the Phillips case. Close to two dozen pen-sion funds representing assets of more than \$100bn, formed the Council of Institutional Investors earlier this month and bad their first meeting in New



York last week where they grilled the various parties in-volved in the Phillips battle. Harrison Goldin, comptroller of the city of New York and a leading light in the new council, says: "We are communicating to Corporate America and certain investors that we expect to be heard and will not tolerate two-tier treatment of share-holders," as has happened in some recent takeover battles.

Mr Jesse Linrah, Californie's state treasurer, argues that the more knowledge and informa-tion which can be built into the market place, the less need there is for any legisletive solution to curb the worst abuses in U.S. takeovers. After the Phillips meeting, both sides were being extremely diplomatic about each other, but it is clear that Wall Street's corporate predetors and big business have still not sized

up the potential impact of the institutional pressure group.

• Greenmail. A technique used in a number of recent cases involving the acquisition of a block of a company's shares followed by express or implied threats of disruption of the company's business. Some com-panies in such circumstances have repurchased their shares at a price or on other terms more favourable than those available to other shareholders. The Phillips battle highlights the difficulty of defining just whet constitutes "greenmail." Phillips bas promised to pay Mr T. Boone Pickens \$53 per share in cash for his stake what-ever beppens, while Phillips' shareholders receive paper said to have a value of \$53 per share. Mr Pickens vigorously denies that this is a form of greenmail but some of the instintions are not so sure and are preparing to vote against the recapitalisation plan as a

making it prohibitively expensive for a predator. Mr Martin Lipton, the lawyer specialising in company takeovers, who bas edded his own poison pill to Phillips' impressive defensive arsenal says that " it helps to even the balance of power between the raider and the target." For Mr T. Boone Pickens, however, the poison pill is one of the "most potenCorporate America in the hands of a few people interested only in keeping their jobs."

scale, "it could place control of

Phillips' poison pill is designed to entrench existing management " and only complicates the issues to be voted on today, argues Pickens. Many institutional investors are of a similar upinion but Phillips' independent directors argue that as far as they are concerned Phillips has not adopted a polson pill and is only ensuring that all shareholders can-not be forced to accept less than \$62 per share in cash for their shares.

Employee Stock Ownership Pian (ESOP): these allow employees to take a stake in a company on more beneficial terms than are available to outside investors because of official tax privileges. A key element in Phillips' defences is the creation of what will be the biggest ESOP in the U.S. Fellowing the proprietalisation. Following the recapitalisation, Phillips' employees will own Poison pill: Normally pre-ferred stock with special rights attached, which are triggered attached, which are triggered the company says that as its employees will have a significant economic interest in its performance, this should help ensure its success and thereby benefit all stockholders.

The optimists bope that Phillips ESOP will help motirate the workforce and improve productivity but many of the big institutional investors are worried thet the concentration of ownership in tha bands of the employees will work to their disadvantage

week thet, if used on a large. thrust into the role of guinea super-quick time.

pig for so many of these issues because it desperately needs its sharebolders to support the controversial recapitalisation plan, which was hatched in response to an unwelcome takeover ball

from Mr T. Boone Pickens, the . Texas oil man, last December. Mr Pickens it should be remembered, was the main who toppled one of the giants of the industry less than a year ago, forcing Gulf Oll into the arms of Chevron, He netted a \$760m profit for himself and his associates in just over six months



private jets seeking support for his form of shareholder activism. "There are a lot of arrogant aloof and consider managements around that are shareholders a nuisance," says Pickens. He believes big business should be made more accountable to sharebolders for the assets it manages and execu-tives "should quit playing around for perks.

would beppen if the chief executives of al the quoted companies that if it is defeated, the share on the New York Stock Exprice will probably dron change pledged themselves to get their companies share prices np to 75 per cent of their anpraised value." he asks? "The tially damaging approaches" work to their disadvantage np to 75 per cent of their that could hit Corporate over the long term.

America and he warned this . Phillips Petroleum bas been Dow Jones would hit 3000 in

Trile, there are some brave men on Wall Street, such as Salomon Bruthers' managing director, Roland Freeman, who have branded Mr Pickens' ener-getically cultivated public image as the champion of the little guy, as "absolutely self serving representa".

The man is ont looking for short-term speculative profits in the stock market like every other short-term speculative investor, no more no less," says Mr. Freeman, whose firm advised Mr Freeman, whose firm advised Gulf in its abortive bid to stay independent. Nevertheless Philips management realised from the very beginning that they could not make the same mistake as Gulf, and understimate the threat from Mr Picters.

Just before Christmas, Joseph Flom, the takeover lawyer, brought the two sides begether and helped hammer out a peace plan. In return for agreeing to support the complicated recapitalisation plan. Mr Pickens was promitted a 200m artifit to his promised a \$80m profit on his group's 5.8 cent stake in the

company.

However, no sooner had Mr
Pickens departed than several
of Wall Street's most feared
corporate raiders in the guise
of Irwin Jacobs, Ivan Boesky
and Carl Icahn, rode onto the
battlefield, and let it he known that they were very unhappy with Phillips' behaviour and planned to oppose the recapital-

planned to oppose the recapitalisation plan.

Mr Icahn, who has soent \$350m on acquiring 75m Phillips shares has backed up his objections to the recapitalisation plan by saying he wants to begin a tender offer for 70m of Phillips 1546m, shares at \$60 per share cash, once estain conditions have been met. Many institutions believe that the Icahn offer is more attractive than the Phillips recapitalisation plan. The only questionmark is whether Mr Icahn can raise the necessary finance. Phillips has been mounting a major advertising campaign, asking the question is Icahn can raise the section Is Icahn for real? Phillips says it does not believe that Icahn can raise the stabn necessary to pursue the lender offer.

offer.
The Icahn camp says it is confident that Drexel Burnham, and virtually overnight became a Wall Street celebrity.

Since then he has criss crossed the country in his two private jets seeking support for his form of shareholder activism. "There are a lot of arrogant aloof and consider managements around that are confident in the prevent samples and the money if given a bit more time. According to its latest filing with the Securities and Exchange, it has raised its first around consider investors which do not include any major commercial banks. banks.

The outcome of today's meet-ing is still up in the air. The about Phillips' elaborate recapi-talisation package, especially since it will virtually insulate ound for perks. the company from hostile take-"Can you imagine what over bids in future. On the other hand they are conscious sharply.

For what it is worth. Mr T. Boone Pickens says that at the end of the day, one might as well flip a coin, the two sides are so close.

#### Holmes in deep waters

If Shell Transport and Trading wants better reletions with the Organisation of Petroleum Exporting Countries it has cer-tainly made a good choice for

its new chairman in Peter Holmes, aged 52.

From the start of bis career with Sball, which began in 1965, he wanted to work in the Middle East. He was sent to Sudan and thereafter spent 20 years on Middle East postings.

When he became a managing when he became a managing director with Shell two years ago Holmes recalled. "In the 1950s Shell geve you £20, then quite a large sum, if you passed an Arabic exam. I did that, partly because 1 needed the money."

money."

After the Sudan be went to the Fureign Office school in the Lebanon to learn to reed and write Arabic. Then It was off to Libya for four years where, be says, "there was then a new oil discovery nearly every

volved sinking to nature's depths as well as rising to husi-



'Yon ain't seen nothing yet'

**Men and Matters** 

difficult day negotiating with Col Gadaffi's regime in Libya he would go down to the underwater club, put on a bottle, dive to 50 ft with a camera, and sit in a cave photographing algae— "the perfect way to unwind." If bubbles start appearing on

the surface of tha Thames outside the south bank Shell Centre it may well be the new chairman trying to get some peace and quiet.

Holmes' interests have in-

scared a coup by securing the services of Tony Solomon, re-cently retired president of the Federal Reserve Bank of New York, for S. G. Warburg. Solomon, 65, who only quit his former job last month, is to be a non-executive director of Mercury International Group, the new securities-cum-banking conglomerate which Scholey is bammering together in the City.
Doubtless Solomon will be able
to interpret the Fed'a subtle
monetary signals for Warburgs,
and bring it a wealth of U.S.

contracts.

Solomon wise

David Scholey seems to bave

Ha was not in his Park
Avenue apartment when I
called yesterdey, but his cv
speaks for itself; nearly 10 years in Washington in top jobs at the Treasury and five years al the Fed, plus a spell at Havard. But before Solomon even went into government, be was an enormously successful business-A mild man who speaks ao

softly he can sometimes barely be heard. Solomon was hoping to use his relirement to indulge his passion for sculpture
"In economics you try to find the most efficient way to achieve an objective. Likewise in the kind of sculpture I like, I try to convey the essence—but not 'year's Relth lectures.

ness beights. Scuba diving is load a piece down with frills," one of bis bobbies. After a be said in a recent interview difficult day negotiating with with Institutional Investor magazine, which pictured him, dwarfed by one of his creations, a buge black figure with ont-stretched arms.

Warburg is not known for its frills either; perheps that's what drew them to each other.

in store

George Willoughby, one of House of Fraser's most dedicated campaigners, is moving from his post as finance director to take on new tasks as business planning and development director. Battle fatigue, I wondered. After all, Willoughby, 54, bas been in the thick of the fight between Fraser and its long-time adversary, Tiny Rowland's

Adversary, Tiny Rowiand's Lonrho.

Not a bit of it, Willoughby tells me. The move represents Fraser's commitment to long range planning—which Lonrho often said bad been lacking.

Lonrbo men may no longer be stalking the Fraser boardbe stalking the Fraser boardroom—where relations with the
Al-Fayed brothers are "barmonious and constructive"—but
Willoughby cautiously observes:
"Whether we have knocked
them down once and for all
remains to be seen."

Besil Mawdsley, 54, former
groun finance divertor of Inter-

group finance director of Inter-national Thomson Organisation, takes over as finance director, leaving Willoughby, with 30 years experience of Fraser and its atores, to plan group tactics with Professor Roland Smith.

BBC s choice

The BBC bas chosen David Henderson, an economist of centrist persuasion, to give this

Henderson, who is chief economist of the OECD in Paris, will be the first professional economist to be let loose on the Reith lectures since the late Andrew Shonfield who gave the series in 1972.

But bow did Henderson, who will talk on the relationship between economic ideas and policy, emerge to don the mantle?

"Thare are not many people to choose from," says George Fisher, bead of BBC Radio's talks and documentaries department. "We look for quality of mind, broadcasting ability, an interesting theme, and some originality."

Fisher personally prefers someone not overwhelmingly famous.

Henderson fitted all criteria a series of talks by him, The Importance of Being Right, was widely admired some years ago

Scooped

When Plessey's third-quarter results appeared on the Renters screen first thing yesterday morinng the London market could not work out what was going on. Not only bad the news been released much earlier than usual; the profits were in dollars and quoted in the American fashion, net of tax. Having scratched their beads, brokers decided to play safe and sell their shares. In fact, it was all a big mis-

take. Plessey's New York office had given its messenger service the results to be delivered to Wall Street at 7 am yesterday to coincide with the London release. "The messenger service release. "The messenger service let us down" explained Peter Marshall, Plessey's finance director. "They took it into Wall Street the night before, for which there eppears to be no explanation. It's unfortunate, but there you are."

While Plessey explains itself to the Stock Exchange, the New York messenger service is licking its wounds. It has been dismissed.

Observer

### BASE LENDING

Allied Irish Bank ..... 14 % Henry Ansbacher ..... 14 % Amro Bank ..... 14 % Armco Trust Ltd. ..... 141% Associates Cap. Corp.... 14 % Banco de Bilbao ...... 14 % Bank Hapoalim ..... 14 % BCCI ...... 14 % Bank of Ireland ..... 14 % Bank of Cypros ...... 14 % Bank of India ..... 14 % Bank of Scotland ..... 14 % Banque Belge Ltd. ... 14 % Barclays Bank ...... 14 % Beneficial Trust Ltd.... 15 % Brit. Bank of Mid. East 14 % Brown Shipley ...... 14 % CL Bank Nederland ... 14 % Canada Perm'nt Trust 14 % Cayzer Ltd. ..... 14 % Cedar Holdings ...... 14 % ■ Charterhouse Japhet... 14 % ■ J. Henry Schroder Wage 14 % Choulartons\*\* Citibank NA ..... Citibank Savings ..... 121% Clydesdale Bank ..... 14 % C. E. Coates & Co. Ltd. 141% Comm. Bk. N. East ... 14 % Consolidated Credits ... 14 % Co-operative Bank ......\*14 % The Cyprus Popular Bk. 14 % Dunbar & Co. Ltd. ... 14 % Duncan Lawrie ....... 14 % E. T. Trust ..... 141% Exeter Trust Ltd. ..... 141% First Nat. Fin. Corp.... 15 % First Nat. Secs. Ltd.... 141% Robert Fleming & Co. 14 % Robert Fraser & Pins. 141% ■ Guinness Mahon ...... 14 % ■ Hambros Bank ...... 14 % Heritable & Gen. Trust 14 % 5 Dament deposits 11%.

### Hong Kong & Shanghai 14 % Jobnson Matthey Bkrs. 14 %

Knowsley & Co. Ltd. ... 141% Edward Manson & Co. 15 % Meghraj & Sons Ltd. 14 % Midland Bank ...... 14 % Morgan Grenfell ..... 14 % Mount Credit Corp. Ltd. 14 % National Bk. of Knwait 14 % National Girobank ... 14 % National Westminster 14 % Northern Bank Lid \_ 14 % Norwich Gen. Trust ... 14 % People's Tst. & Sv. Lttl. 15-% Provincial Trust Ltd. 15 % R. Rapbael & Sons ...... 14 % Roxburghe Guarantee 141% Royal Bank of Scotland 14 % Royal Trust Co. Canada 14 % Trade Dev. Bank ...... 14 % TCB Trustee Savings Bank 14 % United Bank of Kuwalt 14 % United Mizrahl Bank ... 14 % Westpac Banking Corp 14 % Whiteaway Laidlaw ... 141% 

Yorkshire Bank ..... \* 7-day depoints 17% 1 month 11.76% Frad rate 12 spoints 22.500 -17.75% 202000 12 months 12.00%

1 Moridage base rate:

POLITICS TODAY

## 'Dr FitzGerald and I...'

By Malcolm Rutherford

ON MONDAY Dr Garret Pitz-Gerald, the Irish Prime Minister, the chances of sustaining a was slightly late for lunch with the Financial Times in Dublin, would have become almost the Financial Times in Dublin. We wondered what he had been up to. "I have been doing," he said. "something so secret that I cannot possibly tell you." We thought it was a joke, though it was an even better joke than we readised at the time. Dr Fitzgeraid had been preparing emergency legislation to freeze at least £1m in an Irish bank account that is thought to be controlled by the IRA.

On Tuesday the Bill went through the Das—the Irish Parliament—in 35 minutes and was passed unanimously. Since it is estimated that it costs about £2m a year to run the IRA, and the frozen funds might be much higher than film, it looks as if the Irish authorities have achieved a considerable

It has been a very good week for Dr FitzGeraid all round. More important, it has been a very good week for Anglo-Irish relations. There is now more than e sporting chance of a sustained ettempt mutually to tackle the Irish question.

On Wednesday, Mrs Thatcher went out of her way to stress official Anglo-Irish co-operation in her speech to the joint meeting of Congress in Washington. The phrase "Dr Garret Fitz-Gerald and I" was almost a leitmotio in the Irish section of her address.

set by Mr Tip O'Neill, the House Speaker, that she should deal with the Irish question head-on. She did so, emphasing the principle of consent in any settlement and implying that a preliminary agreement between London and Dublin might be nearer than many people think. The freeing of the IRA funds was becutifully timed, whether fortuitously or otherwise. Mrs Thatcher was able to cite it as an example of the British and Irish Covernment.

Also on Wednesday the Dail passed the Family Planning on the British and Irish Covernment was the to cite it as an example of the British and Irish Covernment of the British Irish Security, which Irish security on the British profession in the British Irish Covernment of the United National Planning Bill is only the first that the Government should have consulted the Gatholic hierarchy—some of the Single Planning On top of the British question as seriously as a seri of her address. Indeed, it had been a semi-

negligible.

Dr FitzGerald has been reticent about this. It is not widely realised, especially outside Ire-land, how near to a crisis he came. What he did was to take on the Catholic hierarchy, and for the first time the state de-feated the Church feated the Church:.
It was a small Bill: it provides

only for the legalisation of non-medical contraceptives for people aged 18 and above. But it was etill e political breakthrough. For the hierarchy opposed it outright and have been seen to be beaten, or at least beatable. One reason for intro-ducing it was to show Ulster that the Irish Republic is adapting to change, Mr Charles Haughey's Fianna

Mr Charles Haughey's Fianna Fail opposition was against it, too, and lost. That again could have considerable political implications because it suggests that Dr FitzGerald could be in the Irish driving seat for the next two years, and perheps longer, thus allowing time for substantial co-operation with Mrs Thatcher.

people in edvance what he was trying to do. For example, he saw Dr Kevin McNamara, the new Archbishop of Dublin, only e day or so before the Family Planning Rill was published.



Mrs Thatcher greeting Dr FitzGerald in Downing Street last September

have considerable political implications because it suggests that Dr FitzGerald could be in valive. With the possible exception of Foland, Ireland is seen substantial co-operation with Mrs Thatcher.

Before lapsing into optimism, however, it is worth noting a few caveats. Dr FitzGerald may have been too clever by half in that he did not tell sufficient people in edvance what he was trying to do. For example, he saw Dr Kevin McNamara, the new Archbishop of Dublin, only e day or so before the Family Planning Bill as well. Family Planning Bill as well-mew Archbishop of Dublins, only e day or so before the Family Planning days the Government.

McNamara, who is very conserted that Dr FitzGerald's Fine Gael will become the natura party of government, which is what he wail become the natura party of this become the natura party of government, which is seen will become the natura party of mid-lagor. That is, in a government, which is what he wants. Bit there is an awful lot of "ifs."

The question of who governs to Mrs Government to Mrs Ireland is important to Mrs Ireland is important

sing of the Family Planning Bill -that she can work with him

alone.

The two main Irish parties come together in search of a settlement, as they have shown they are capable of doing in the capable of doing in th supporting unanimously the emergency legislation on the IRA money.

Quite the most desirable pos-

sibility for London, Duhlin and Ulster is the third. Some of the opposition leaders said in Dublin this week that they would be prepared to go along with an Anglo-Irish agreement that would give the Republic some limited say in Ulster affairs, provided that it kept alive the idea of a pulicy extent. tendency to interfere with everything else. A final settlement must be

some way off. However, there does seem to be agreement on three basic principles, not least because of the work of the New Ireland Forum. There must be reising Forum. There must be a further improvement in relations between London and Dublin and between the two parts of Ireland and, above all, there must be some move towards understanding between the two communities in the north.

The timing is not repropitious. The Unionist parties in the north still seem more interested than before in reconciliation with some of the nationalists in their midst. Mr Douglas Hurd, the Secretary of State Hurd, the Secretary of State for Ulster, has renewed the pressure to that end. There are local elections in Northern Ireland on May 15 which are complicated by the fact that Sinn Fein, the political wing of the IRA, says not only that it will contest, hut will take any seats that it wins. But after that there should be no major elections either in Britain or in Ireland, north or south, for more than a year. There are more opportunities for a peaceful eettlement than ever before.

Mr Hanghey and Figure Fail

Mr Hanghey and Fianna Fail have to decide bow far to support any proposed interim agreement. Dr FitzGerald has to decide how far to seek to take the opposition into his confidence and to form, as it were, a de facto coalition on the Irish question. Mrs Thatcher, having come to the brink, has to stick at it.

Yet even if it turns out that

FitzGerald's Government has to go it alone in terms of Irish politics, it is still e risk that Britain should take. The Irish question has come almost to the top of the agenda at almost the best of times.

There will be another summit meeting between the British and Irish Ministers shortly. Dr able to cite it as an example of the British and Irish Governments pursuing the same sizes.

Also on Wednesday the Dail Church could be building up passed the Family Planning Bill. That was the test on which on which everything else to me several times, that the Gerald's coalkion had lost that II is bent on re-asserting tradity of the week could resonably have sarily have been yet another would not necessarily have been yet another british and eventually the thinks and rish Governments and was defeated.

It is a moot question whether that the egged her on too far, while she prefers a gradualist that the solution, if indeed she is interested in any change in the status quo.

There is also a theory, put to medical contrace that the divorce laws. The first would give the Republic say in Ulster affairs, provided that it kept to be after. But the timing does affairs, provided that it kept to me several times, that the Hunghey, but in the end he has two me several times, that the divorce laws. The could be building up the for e bigger fight.

There is also a theory, put to me everything else to me several times, that the Hunghey, hut in the end he has always survived and until this work give the Republic say in Ulster affairs, provided that it kept to me affairs, provided that it is the the idea of a unitary state of the timing affairs, provided that it kept to me affairs, provided that it is the torm of metter too much provided that it is always survived and until this opportunity, the immediate that unity on affair provided that it is at the complete that it is a the opportunity

### Lombard

### A retreat from Santo Domingo

By Robert Graham

direct diplomatic representation in the Dominican Republic. The closure of the embessy in the Dominican Republic was

in the Dominican Republic was announced last December, along with the embassy in Leos and three consulates. The decision was hurried, forced on the Foreign Office much against its will during the Treasury's sudden fiap to find extra government savings.

In relative terms the Foreign Office cuts are small: hecause the Foreign Office as an institution is discreet, little has been

tion is discreet, little has been said in public. However, the Santo Domingo embassy closure has been controversial and deeply regretted within the Foreign Office. The Dominican Foreign Office. The Dominican Government has taken the action as e gratuitous insult and ordered the closure of its London embassy, where its amhassador happened to be the doyen of the diplomatic corps.

This singling out of the Dominican Republic has also puzzled Latin American diplomats. After Cuba, the Dominican Republic is the largest country in the Caribbean both in size and its 6.2m population. Since the Falklands conflict in 1982, Britain has made efforts to reassure Latin America of

to reassure Latin America of its desire for improved ties. This interest was underlined by the reopening last year of emthe reopening last year of em-hassiee in Nicaragua and El Sal-vador. In the context of the Caribhean, the decision con-tradicts declared UK policy in the wake of the 1983 U.S. in-vasion of Grenada. Since then, Britain has reassured its many Caribbean Commonwealth partners that it still regards the region as important and that it has not abnegated its historical role completely to

the U.S.
Foreign Office officials say
resignedly that the aze had to
fall somewhere and that the
Dominican Republic was on the The U.S.

Foreign Office officials say resignedly that the axe had to fall somewhere and that the Dominican Republic was on the hit list for a number of reasons.

Sharing Hispaniola with Halti, this Spanish-speaking nation has no historie ties with the UK; British husiness there is limited — about \$15m out of total non-oll imports of \$800m.

It is also ergued that only

ROY MARLOW is like e captain about to lose his ship. Since direct diplomatic representation in Santo Domingo and thet ambassador in Santo Domingo: Britain could perfectly well now he is packing up the residence and embassy. By March, Britain will have ceased to have through Caracas, Venezuela, Britain will have ceased to have the several other European countries.

countries.

Yet putting aside the question of Britain's commitment to Latin America, which is more of an emotional issue, there are practical arguments egainst what has been done. The principal aim of the embassy in Santo Domingo was to improve Britain's reletions with the non-English-speaking Caribbean, Britain's interest in the area is based on more than just the

is based on more than just the Commonwealth connection. Britain also has residual colonial responsibilities in four depandancies. Two of these ere close to the Dominican Repub-lic, the Cayman Islands and the Turks and Calcos Islands.

In the case of the Turks and Caicos (population 8,000), there is no sign of e desire for inde-pendence from the UK. Their sole hope of economic viebility sole hope of economic viebility is through developing tourism and off-shore banking; but everything has to be imported from outside, including labour. The Dominican Republie is logically the most convenient supplier of everything from fresb vegetables and building materials to manpower. There are possibilities for joint tourist projects; the Turks can offer little hut beaches and see while the Dominican Republie while the Dominican Republic has impressive colonial monuments and lush vegetation. It is doubtful whether such ties can be developed so easily via occasional visits from Caracas. Improvements in modern Improvements in modern communications arguably reduce the need for large scale direct representation. But in small countries with personalised leaderships there would seem no substitute for whet has always been the core of treditional diplomacy. Direct representation—a mix of showing the flag and establishing

#### International trade

From Mr J. Hayes Sir,—What is Mr Dell (February 19) trying to tell us

about the future of the international trading system—what ought to be done, or what he thinks will (or will not) be done? Much of his letter is about what politicians may be expected to do. As voters, we only what they are likely to do, but what they ought to do. Mr Dell says that Govern-ments "give higher priority to the needs of their producers to the needs of their producers than of their consumers, and it is easy to see why." But, when Governments protect particular industries, like textiles and clothing, they impose burdens not only on all voters, as consumers, but also on all the second seeds on all the second seeds on the second seeds on the second seeds including the other producers, including the potential "industries of the future." Economists worry about this sort of thing; but Mr Dell thinks that Ministers

writers but not as policy Mr Dell says that we all know that trade negotiations are about reciprocity. No doobt there will be continuing pres-sure on the newly-industrialis-ing countries to liberalise their import regimes, and those who value the open trading system can hardly object to that. There are, however, strong arguments that liberalisation by the newly industrialising countries would make them even more would make them even more competitive as exporters. This would increase the scope for mutually beneficial trade, but would also increase the edjustment task in the United Kingdom and elsewhere.

should use economists as speed

Of course the beneficiaries of protection say that liberalisa-tion is only acceptable on the basis of reciprocity. But whet about the interests of the majority who are harmed by protection? It may be a fect of life that our political and institutional system fevours compact or well-organised minorities against the mass of their fellow citizens; but e democrat should look for ways of redressing the balance. On the specific point of the on the specine point of the multi-fibre arrangement, we have been buying time for adjustment in the cotton textile industry, on e "temporary" basis, since 1959, with other textiles and clothing thrown in as time goes on. How soon will we conclude that this is not the way in which e long-established

way in which e industrial nation catches up again to somewhere near the head of the pack?

Thinking about a new round of trade negotiations needs to be at a much more fundamental level. The GATT secretariat has suggested thet the MFA the Common Agricultural and the many other "exceptions" to the open trading and bleached domestic prossystem are seriously imparing perity produced no signs of

### Letters to the Editor

the role of prices in adapting retreat from supply to demand. This bears emplacements some thinking about. Moreover, was the exercithe increased politicisation of trade is a source of inter-national friction, and could even lead to a world of mutu-ally antagonistic blocs. Mr Dell no doubt knows how politicians operate; but it is to be hoped that the Government will comship. It could play an important part in shaping a new, more satisfactory international trading system if it were prepared to contribute the necessary thought and effort. necessary thought and effort. J. P. Hayes. Trade Policy Research Centre. , Gough Square, EC4.

Architects'

fees From Mr B. Waters

Sir, Mr Littman (February 19) fiatters we architects. If a contractor enters into a contract and fails to meet his com pletion date he accuses the architect of "failing to keep the builders to their timetable." Would that the contract gave

would that the contract gave us such power!

We are paid for our time. Thus an extension of the period during which we are required to carry out our inspection duties (not supervision, please note) which is beyond the architect's control justifies edditional remuneration.

The full consequences of the

current pressure for cut fees has yet to show through in reduced design quality and increased contract costs. It will also lead to architects claiming edditional fees for extra services which were previously absorbed into the reasonable ninimum scale Brian Waters.

Boisot Waters Cohen Partnership, 64, Wilton Road, SW1.

Investing in South Africa From Mr R. Segal

Sir From the moment that rternal pressures on the South external pressures on the South African regime were proposed, the cry has periodically been raised that such pressures must only harden the resolve of apartheid, to promote reaction rather than reform. Nourish-ing South African prosperity with supplies of foreign investment, at rewardingly high rates of return, would do much more to effect rational change. But in the event, many years of mounting foreign investment

emplacements of spartheld. It was the exercise of pressures, from sports boycotts to oi embargoes, that began seriously to disturb the South African movement, however clumsy and meretricious, towards change. That the FT (February 18) should be peddling yet again the soiled haberdashery of reform through enrichment is bad anough. Far worse is the suggestion that continued foreign investment in. South Africa should be regarded as morally edmirable. Apparently British investors should not merely profit from the opera-tions of apartheld; they should be entitled to claim; the divi-dends of righteousness as well. dends or righteousness as well.
Such humbug may be applauded in the City, but it is unlikely to win much approval in the battered black townships, where the cause of decent government in South Africa is of more profound and pressing concern. pressing concern.
Rouald Segal.
Old Manor House,

Manor Road, Walton-on-The

Social security

policy From the Director, Institute for Fiscal Studies

Sir,-Michael Prowse (Feb ruary 15) makes a strong case for state pensions. The state can provide a degree of security. especially against inflation and for early leavers, which the private sector cannot easily match. The private sector, on the other hand, can effer pensions which reflect indivi-dual choice rather than political decisions. The trouble with the state earnings releted pension scheme is that it offers none of these advantages. It gives little to the low paid workers outside existing occupational pensions schemes; par does it to much the comments of the state of the low paid. occupational pensions schemes; to become non-distributable, nor does it do much to remedy the deficiencies of the private occupational sector in its treat ment of mobile workers and often inedequate provision for inflation after retirement.

It bears the hallmarks of what it is; e political compromise that offered something to mise that offered something to purchasing power, a "true and fair view" of a company's all the interest groups con cerned with pensions rather cerned with pensions rather than a product of a rational analysis of pension needs in the next century. That is why there is little prospect of e rational development of social security policy until it is swaper account.

policy until it is swept away.
John A. Kay,
180-182, Tottenham Court Road,
W.1.

State of Israel

From The Secretary, Development Company for Israel (UK)

Sir.—We trust you will allow a brief comment on the unfor tunate comparison in "Men and Matters" on February 11 between the State of Israel Bonds and the Nicaraguan Democratic Force (FDN) in their efforts to raise funds. Such a comparison is totally mislead-ing and could easily be misin-

Bonds of the State of Israel have been sold throughout the world for many years both to Jewish and non-Jewish sup-porters of the state of Israel and our investors include many non-Jewish banks, corporations, financial institutions, and individuals, who wish to support the aspirations of the state of taxel, and see it as a growing source of trade absorbing in perticular substantial exports from the UK. Accordingly, the motivation of the investors in bonds is not exclusively political as Suggested.
We would add that the invest

that have been made lo denominated as they are in U.S. dollars have proved en-tremely profitable for UK investors, who have enjoyed good returns on their capital inked with full security, Gordon B. S. Hausmann 8-12 Brook Street, WI

.Company law and inflation rom Mr R. Instone

Sir,-Published eccounts, as yon observe in your leading article of February 20, are not prepared for finance directors (who have or ought to have more sophisticated tools at their disposal), but for the ordinary users such as share

and not historic profits were to be lawfully distributable, what does the Accounting Standards Committee suppose would be the effect on pension funds and other shareholders who are dependent on their investment income? If the current cost reserve (however computed) is become non-distributable.

of purchasing power, a "true and fair view" of a company: profits and assets can only be expressed in those same £s, whatever their purchasing power. Anyone who wants to know what their real value is can do his own sums; should be be force-fed? Raigh Instone.

Helping a Model T Ford drive to the top of Ben Nevis in 1911 was one of the more frivolous episodes in Mobil's 100-year history in the UK. But when you're a young oil company trying to make good, you're bound to go over the top now and again. Today, in our somewhat more sober maturity, it's not the heights that interest us so much as the depths - specifically those challenging oil-bearing formations beneath the There, Mobil has been drilling away since 1964-with a notable degree of success. Today, after an investment of more than £1,000 million, we're one of the country's major oil producers. And, by means of a special procedure (called gas injection) we do it as thoroughly as possible, getting the optimum amount of oil out of every well. In fact, Mobil takes oil recovery so seriously that we've become acknowledged experts on the subject in the North Sea.

All very well and good. But then, we do have a slightly reckless youth to live down.

Mobil

### Sprinkel to head U.S. Council of **Economic Advisers**

By Stewart Fleming In Washington

PRESIDENT Ronald Reagan yes-terday named Dr Beryl Sprinkel, the oogmatic monetarist economist who is currently Treasury Undersecretary for monetary affairs, to head the Council of Economic Advisers, the White House economic think-tank.

The decision removes a cloud of uncertainty which has been hanging over the council since last summer. Dr Martin Feldstein left his post as CEA chairman in July, after stirring up fierce political cootroversy as a result of his outspoken pleas for moves to cut the federal budget deficit.

Dr Feldstein was not replaced and there was even speculation that the White House would let the council languish indefinitely under a caretaker management to avoid the situation in which it could again become, as under Dr Feldstein, a platform for public statements which cut across White House political

Since the Congress created the council the White House on its own duce the potential savings from cannot dismantle it although in the oast few months it has done the next best thing leaving the council without a chairman and with only one member instead of three. It is understood that Mr William Niskanen, the lone member, will be leaving. He bad hoped to be appointed chairman.

Washingtoo will detect in the appointment of Dr Sprinkel the hand pointment of Dr Sprinkel the hand 65 per cent of its drug sales in the of his former boss at the Treasury, UK, or about £30m in sales, and Mr Donald Regan, who earlier this year in a switch with Mr James Baker, quit as Treasury Secretary and moved to the White House as the President's chief of staff.

Although in the opening months of the Reagan presidency in 1981 Mr Regan and Dr Sprinkel clashed as a result of Dr Sprinkel's too public advocacy of his economic views, Dr Sprinkel has subsequently lowered his public profile

 Dr Sprinkel's appointment raises tary, a job which has involved Dr Sprinkel in the formulation of U.S. strategy oo the international debt crisis as well as in diplomatic financial relations with Americans in-

Mr Baker's decision on his replacement will be watched for clues as to the new Treasury Secretary's economic views. Dr Sprinkel brought a strong monetarist voice to the formulation of the Treasury's economic judgements ofteo to the irritation of America's European allies. Depending on who Mr Baker chooses as Mr Sprinkel's successor, the monetarist viewpoint could become less influential at the Treasu-

Oo the other hand, there will still be two positions as members of the council to be filled. It would come as no surprise to see economists of the monetarist persuasion appointed to president of the pit supervisors'

Continued from Page 1

ley lines, with senior management

of his own age group. Possessed of

a keen eye for publicity, be scored a

notable coup in 1981 by luring away

from Sony Mr Toshiaki Kamijo, the

Sord also had ground-breaking products. In 1972, it was the first

lapanese company to develop a per-

socal computer using large-scale in-

tegrated circuits; its Pips language,

developed in 1979 and oo the mar-

ket two years later, bore some re-

semblance to Visicale, but was the

spreadsheet

first Japanese spreadsheet software and, albeit briefly, quickly

became the most popular personal

computer programme in Japan. Mr Shiina also had visions of co-

operating with the U.S. Trilogy su-per-computer project, the hrain-

child of Dr Gene Amdahl, Coincid-

inventor of the Walkman.

### UK bid to curb health costs hits drug groups

BY CARLA RAPOPORT AND ANDREW ARENDS IN LONDON

BRITISH Government plans to cut its £1.4bn (\$1.53bn) annual bill for drugs available at subsidised prices under the National Health Service might cripple the UK operations of

pharmaceuticals group.

The list of approved drugs presented yesterday by Mr Norman Fowler, Social Services Minister. had been modified from earlier proposals to ease the impact oo UK pharmaceutical companies, but did not include any Roche-produced tranquilliser or hypnotic.
The drugs would theoretically re-

main available at the full price, but their exclusion from the list is likely to mean the loss of bundreds of jobs at Roche's UK plant at Welwyn, north west of London.

Under the scheme, doctors will still be able to supply any medicine to their patients, although they will now have to issue private, unsubsidised prescriptions for drugs not on

Reckitt & Colman of the UK, which would have lost half its pharmaceutical sales under the original proposals. Most of its important products have been reinstated on the approved list.

According to the Government, \$100m to £75m a year.

Mr William Gerard, managing di-rector of Roche UK, said last night: We are considering the full implications of the list on the future conduct of our business in this country." No further statement, be said, would be made until officials had consulted Roche's workforce. It is believed that Roche will lose about may have to cut as many as 300 jobs.

Examples of drugs to be sinated from NHS prescribi

Librium Warner-Lamber

Examples of drugs reprieved from original proposals

Gaviscon (antaci ker Laboratories Dorbsnex (laxative)

Lilly and Wyeth, two U.S.-based companies that would have been badly hit by the Government's original plans, will not feel an immediate pinch from the modified list because no generic equivalents yet exist for their drugs, Distalgesic, Lilly's best-selling pain-killer, and Activan, Wyeth's tranquilliser. If the new list is approved, doctors prescribing the drugs will have to write out their full chemical names, but pharmacists will be allowed to dispense the brand-name products until a generic equivalent becomes

The drug industry and medical profession reacted angrily to the modifications last night. Dr Michael Wilson, head of the General Medical Services Committee of the British Medical Association, the doctors' pressure group, said doctors were now faced with a "bureaucrat-

The modified proposals contain

products for seven categories of minor illnesses, ranging from antacids to cough remedies. The black list is 31 pages long, but contains many non-pharmaceutical products such

as safflower seed oil.

"We have a farcical blacklist of drugs, a barely adequate white list and then we have drugs left unclassified," said Dr Wilson. He emphasicad that the sised that the proposals would not allow doctors to meet the clinical needs of patients. This must be seen as the first step toward cutting back patients' rights," he said.

Dr John Griffin, director of the

Association of the British Pharmaceutical Industry, also attacked the Government, saying: "This shift in policy on its limited scheme makes an even greater political nonsense than when it was originally pro-

He said the move was clearly toward generic substitution for brand-name drugs, which would lead to an export of jobs.

Drug industry executives and industry analysts were also sceptical about whether the Government could achieve savings of £75m with the modifications. Ian White, a drug analyst at W. Greenwell, the London stockbrokers, yesterday estimated that the revised list would save the Government only £30m to

The list was drafted by a committee headed by Dr Donald Acheson, the Government's Chief Medical Officer. Mr Fowler said the committee felt the list would meet all clinical needs and that all the drugs on the list conformed to legal standards.

He said the list would be revised as required, and that greater savings would be made as more genboth a white, or approved, list of drugs, and a black, or banned, list. The white list contains just over 100 drugs on the list.

### **Securities** firms plan London financial alliances

By David Lascelles and John Moore in London

A NEW stage in the revolution in Britain's financial services was reached in London yesterday as National Westminster Bank and Mercury Securities, the parent compa-ny of merchant bank S.G. Wartung, putlined their plans for the creation of two large securities groups. National Westminster said that it

was forming an investment banking group comprised of Country bank, its merchant bank, stockbroker Fielding Newson-Smith, in which National Westminster has a 5 per cent stake, and stockjobber Bisgood Bishop, in which the bank has a 29.9 per cent stake.

National Westminster plans to set up a company dealing in international equities. As a further development in its plans it is to seek Bank of England approval for the new group to operate as a primary bond dealer in the restructured market for British Governmen

The group being assembled by Mercury Securities, parent compa-ny of S.G. Warburg, the merchant bank, will be called Mercury International Group (MIG), and will be divided into three parts.

The merchant group will consist mainly of S.G. Warburg itself. The securities group will include the three stock exchange firms with Warburg is linking. Akroyd & Smither, the jobbers, Rowe & Pitman, the stockhocker, and Mullems & Co. the gift broker. This group. & Co, the gilts brokers. This group will include the international deal-ership which has already been set up, and MiG's proposed operation in the gilt-edged market.

The third group will cover asset management and will have operations and management autonomy to prevent conflicts of interest.

In other moves yesterday Hoare Govett, one of the largest British stockbrokers in which the Califor-nian bank Security Pacific has a 29.9 per cent stake, appropried that the Chicago-based investment research house Duff & Phelps Mr John Holmes, head of Hoare

Govett's New York office who prompted the link with Doff & Phelps, said it was designed to provide a comprehensive United States equity research and dealing service for the international investor in Europe."

At National Westminster the new investment banking group is to be called County Holdings and will be chaired by Mr Charles Villiers. chairman and chief executive of County Bank

Mr Villiers said the new international equities company would be called County Securities and would effectively be an international dealership company as recognised by the London Stock Exchange. We are recruiting actively and some dealers have approached us for

#### Thatcher sees N-policy no cure for \$ Continued from Page 1 attacked

Continued from Page 1

ence pointed out that British ships were assigned to Nato and had to be ready to take up alliance assignments at any moment. She said that she was worried and disappointed by Mr Lange's policy, which earlier this month resulted in the exclusion of a U.S. destroyer from New Zealand after Washington refused to say that it was not carrying nuclear weapons.

She was, she said, less worried about anti-nuclear feelings in other Western countries. "I think we can get over most of those problems,"

Union now had a common interest in reducing their nuclear arsenals to maintain security with fewer

wars" defensive weapons planned by President Ronald Reagan was "many, many years away." There would, in any case, have to he nego-tiations before the weapons could be deployed.

In an interview with the Finan-cial Times yesterday, Mr Lange firmly dismissed fears expressed by try's refusal to allow American nuclear-powered and nuclear-armed tion" that might spread to Austral-

### THE LEX COLUMN Plessey at the X-roads

Last week, the gilt-edged market was crying out for a long-dated, high-coupon stock from the Government Broker. Instead it was offered another transhe of index-linked, which is not the same thing at all.

Yesterday it secured its revenge. The index-linked was less than fully taken up at the striking price, while the Kingdom of Spain's hull-dog bond - which met the market criteria precisely - was oversubscribed about 14 times.

The London market has been caught napping twice recently by Racal and STC, so by yesterday it had breced itself for a third stock from Plessey. As it turned out, the mird-quarter profits, down 7 per cent to £40.57m, may have been a bit lackinstre but did not qualify as any kind of a shock. In fact, the sharep price jumped 10p after ana-lysts had come out of their meeting with the company to close 15p up at

Initially, the prospects for Plessey do sound encouraging. Profits from System X should at last come on stream next year after a loss of over £5m for 1984-85. The product seems to have been more or less accepted by British Telecom after a series of frustrating delays. And losses from the Stromberg-Carlson subsidiary in the U.S. should be lower next year than in 1984.

So far, the image is of a company which has sacrificed short-term profits for a longer-term gain through heavy capital investment in new fields. But the question is whether the seedcorn will produce

Plessey should be guaranteed System X orders from BT for a decade or more. But now that BT is a private company, it has become a much tougher customer; as a mon-opoly buyer, it can demand low about the prospects for congres- 1983.

NEWS

REVIEW

BUSINESS

Measuring

success in

North America

Orders worth nearly \$1m have

been placed by the North American distributors of com-

puter controlled inspection machines produced by Ferranti Metrology Systems, Dalkeith and Aston-on-Trent.

The orders cover two Maxi-Check co-ordinate measuring machines (CMM) and 10

Merlin CMMs. One Maxi-Check and three

Merlin CMMs will be shipped to Swiss Instruments of Toronto, Canada and one Maxi-Check and seven Merlins

are destined for the company's US distributor, Rank Pre-

cision Instruments of Chicago

Ferranti Infographics, Living-ston, bas received further orders from Otter Controls of

systems in line with the second phase of a £300,000 plan to introduce computer

aided design and manufactur

ing for the company's growing range of bimetal thermostats

and safety cut-outs. Otter Cootrols' long term

objective is to achieve an overall 25% reduction in the

time taken to conceive, design components and produce pro-duction standard tooling.

British Aerospace has instructed the Edinburgh based Navigation Systems Department of Ferranti Defence Systems to proceed with work for the RAF's

Buccaneer aircraft update programme. The aircraft is to be armed with the BAe

Dynamics Sea Eagle anti-sbip missile and revised mission avionics will ioclude a new Ferranti inertial navigation

£170,000 to the City Hospital, Aberdeen has been negotiated with the Grampian Health

Navigation

CAM-X growth

Plessey's production of System X should increase rapidly over the next two years, its profits may well not rise in line.

Meanwhile, since the deregula-

tion of the U.S. telecommunications market, everybody and his uncle is trying to sell exchanges to the new Bell companies. Plessey will have sunk \$23m this year and \$27m next into Stromberg Carlson in the hope of future riches which may or may not be forthcoming.

As a result, the market is thoroughly divided in its view of where Plessey goes from here – and for all the group's protestations about its ample cash resources, any company. that can absorb £200m in nine months is bound to set its sharebolders thinking about a rights is-

#### Dollar

Yesterday's absence of overt intervention by the Bundesbank fitted neatly into a roll-call of negative reasons why the dollar could yet again be pushed onwards, flirting with improbable rates against the D-mark – touching DM 3.37 – and knocking the pound down at times

itself to produce sagging bond prices in New York and to set short prices in New York and to set short interest rates on an upward tack.

If that suggests a New York market on the defensive, it was also reacting - perhaps excessively - to a stiff reminder that Mr Volcker is not proposing to finance the deficit home market. The thirsty U.S. con-

through the printing press. sumer drank 10 per cent more Co Given a tendency to pessimism ca-Cola drinks last year than in

sional budget cutting, higher yield were only to be expected. A large upward revisor of the fourth-quarter GNP stellstic only reinforced fears that the Fee was more likely to move interest rates up than down, and at mesent the dark side of such fears is forregsed confidence in the rebusiness of the

#### Coca-Cola

Coca-Cola makes more than hall Coca-Cola makes more than half its operating profits oversees, so the world's largest producer of firzy drinks has as mach reason as my U.S. corporation to growthe about the effects of a strong dollar on its reported earnings. Yet to indee from yesterday's fourth quarter results – which showed a 16 per cent increase in earnings per share to \$4.76 – the group could make ends meet with the dollar at just about any level.

any level.

Coca-Gola's position is admittedly rather musual, since the dollar based content of its product is confined largely to drink concentrate. The water, and the can are provided locally, it suffers with the rest of U.S. radiastry, however, from the damage caused by a strong dollar to

knocking the pound down at times to less than \$1.68.

As has occasionally happened before, the markets appear to have transformed a fairly neutral statement from Mr Volcker into the pretext for a definite tightening. Confirmation that the period of easier money was at an end was enough in prices in New York and to set short

### Striking miners lose support of other British trade unions

BY JOHN LLOYD IN LONDON

price of the loss of its allies in the Trades Union Congress (TUC).

The TUC's seven-man haison group with the NUM, especially Mr Norman Willis, the TUC general secretary, are bitterly angered by what they see as at best folly, at worst calculated duplicity, of Mr Ar-thur Scargill the NUM president in first requesting then spurning, their aid in achieving improve-ments in the National Coal Board's (NCB) proposals for a settlemeot.

On the NUM's part there is contempt for the TUC's endeavours. Mr Scargill said the TUC leaders had been "deceived by the NCB." The TUC geoeral council, at its meeting next Wedensday, is expected to endorse a position of inactivity on the

The NUM's isolation was further underscored by Mr Ken Sampey,

matioo operatioo along Silicon Val- entally, it was reported earlier this makers; in effect they could only

tents and purposes defunct.

week that Trilogy is now to all in-

Sord thrived until the giants of

the computer industry turned to personal computers with a venge-

ance, especially when price-cutting,

eveo in Japan, which prefers order-

ly markets, became ramoant. Its

current share of the domestic mar-

ket is believed to be oo more than 4

Sord had particular problems of

its own. It began to find itself sbort of chips, having no manufacturing

facility (the aborted public issue

last year was supposed in part to fi-

nance an integrated circuit plant). It was also hamstrung by the fact

that Sord personal computers, until

some very recent innovations, were incompatible with those of other

Sord Computer seeks a partner

who will replace him in the potentially influential job of undersecre- 50th week of its strike - but at the Mr Sampey said the union would He: now "do nothing" - thus removing the lingering if slight possibility that it might use its considerable industrial strength to force conces-

sions from the board The NUM's national delegate conference yesterday endorsed the decisioo taken on Wednesday by the executive that talks with the board sbould not restart on the basis of a non-negotiable draft agreement covering pit closures and a revised colliery review procedure - and pledged a renewed effort to bring out the miners again in the working

Mr Peter Walker, the Energy Sec-retary, told the House of Commons hours after the delegate conference had taken its decision that prospects of talks were now over. He predicted that more than half Britain's 189,000 miners would be back union Nacods, who expressed him- at work within the next few days -

communicate with each other. Sord's best year was 1983, when it

said it earned about Y2bn on sales

of Y21bn. It forecast an improve-

ment in 1984 estimating profits of

Y3.7bn and sales of Y26bn, but late

last year it revised these down

sharply to an income of less than

Yibn and revenues of Y23bn. Final

figures for the fiscal year, which

ended on Wednesday, are not avail-

The company's reputation for technological capabilities persists, which explains the interest of Tosh-

iba, and possibly others. Toshiba, in

particular, is intent on expanding

its office automation business, in

which Sord's expertise could be use-ful. It could also sell Sord personal

computers through its extensive

**Snow Report** 

several questions. One of course is BRITAIN's National Union of Mune-self content with the revised pro- the NCB now claims about 47 per it was forming a joint venture with

He said: There is no way that Mr Scargill's extreme and absurd demand are going to be met. I can only urge those miners still on strike, though deprived of a ballot, to return swiftly to normal working."

Mrs Margaret Thatcher, Prime Minister, told journalists at the end of her visit to Washington she was "disappointed but not depressed" by the outcome

The conference agreed that the amendments to the NCB's proposals submitted by the NUM at the weekend should form the basis for negotiations - a closing of ranks between Mr Scargill and his colleagues, since the president had earlier opposed the amendments as being too few and too mild.

The NCB claimed that 110 "new faces" reported for work yesterday, bringing the week's total so far to

continue. No one could offer any

The only fundamental thing, Mrs

Thatcher said, was to reduce the size of the federal budget deficit,

but the precise effect of that on the

dollar was "very arguable." Britain could do very little about the impact

oo sterling and Mrs Thatcher re-

fused to say whether interest rates

would be changed again if there

was further pressure on the pound.

and congressional leaders, there

was apparent agreement that the

But there was almost a fatalistic

attitude about what could be done about the dollar despite the joint re-cognition of the problems it was causing both in the U.S. and the

deficit had to come down.

rest of the world.

In talks with cabinet members

sudden new answers.

NUM fights on, Page 6

### posts with the new company. New Zealand

Mrs Thatcher expressed confi-dence that the U.S. and the Soviet

weapons at less cost.

She again insisted that any possibility of deploying the new "star

Briefly . . . shipped a grazing incidence rhodium coated silicon carbide toroidal mirror to the Brookhaven National Laboratory, New York, where it will be deployed in a new synchrotron. chrotron.
A contract for Ferranti Computer Systems, Wythenshawe Division, to supply a Delphi-Phoenix system worth nearly

some U.S. officials that his counships into its ports was an "infec-

ia, Japan and Europe. "It is not a policy which was designed as some form of crusade of righteousness or destabilisation.

#### ADVERTISEMENT

#### TELECOMMUNICATIONS A new Rhapsody



The Rhapsody 12/32 telephone keysystem

Ferranti GTE, Moston has thirty-two extension switch to its Rhapsody family of tele-plone keysystems. The Rhapsody 12/32 is at home either in the small business or operating behind a PARX for a department of a large organisation. The system is capable of an extensive range of features. The exact blend is programmed on installation and can be simply reconfigured as required.

The Rhapsody 3/6 is a modular system that can be

attractively styled, provide push button operation and have lamp display facilities to enable call progress to be monitored. They can be free standing or wall mounted. The Rhapsody 12/32 system configuration can vary from four to twelve exchange lines and from eight to thirty-two extensions by the addition of extra cards in the existing

A nationwide network of regional distributors will have the new keysystem from 1st March 1985. A complete installation and mainteganch service is provided actionally by Granada Microcare.

key telephone bandsets COMPUTERS

built up to a maximum capacity of three exchange lines and six extensions. The

### Message received

The AE Group, manufacturer of high technology engineering components, bas placed an order with Ferranti Computer order with Ferranti Computer
Systems. Wythenshawe
Division, worth nearly £39,000
for the Argus Message
Director. This offers a comprebensive electronic mail and message switching service.
The Message Director will be connected to the AE Group's multiterminal network. It will allow the communication of maoufacturing and general information between twenty-six locations in the United Kingdom, including Well-worthy in Lymington, Glacier

network also links to the US sales office, which co-ordinates the sales of all AE Group's the sa

in London, Manchester and Kilmarnock, and Hepworth & Grandage in Bradford. The network also links to the USA sales office, which co ordinates the sales of all AE Grapp products into the United States.

The basic Message Directorsupports up to twenty-eight communication lines. The system will connect to private and within a communication.

The good news is FERRANTI Selling technology

World Weather

Andermatt (Sw.) ... 70-120 cm All top runs excellent snow Igls (Au.) ..... Klosters (Sw.) La Plagne (Fr.) .....

Wengen (Sw.) ....... 100-160 cm Good skiing on all runs

25-70 cm Becoming icy on lower slopes 10-70 cm Good skiing on upper runs 40-190 cm Hard pistes and ideal weather 110-210 cm South facing slopes icy 80-220 cm Worn patches on lower slopes

European reports from Ski Club of Great Britain representative THE U.S. Aspen (Col.) ........... 19- 49 ins. Packed powder; 98% runs open

C-4-Cd2

insodv



### SECTION II - INTERNATIONAL COMPANIES

### FINANCIAL TIMES

Friday February 22 1985



Asea lifts

The group is in raise the dividend from SKr 6 to SKr 7 e share, after

receiving government approval.

Sales climbed by 19.4 per cent to

SKr 36.1hn, helped particularly by strong economies in Sweden and

the U.S. Asea also reported a sub-

stantial rise in sales to China and

Operating results after deprecia

tion rose 11 per cent to SKr 2.28br

because a greater proportion of

turnover was generated by the rela-tively less profitable trading activi-

ties. Earnings remained low in the

industrial equipment sector, but several recent large orders are ex-

pected to improve prospects in that

Asea's SKr 7bn cash and liquid

assets generated interest aarnings which brought nat financial items

into the black at SKr 150m, com-

earnings

### Coca-Cola advances but |Setback warns of dollar's impact

BY WILLIAM HALL IN NEW YORK COCA-COLA, the world's largest \$4.76 a share from \$558.8m or \$4.1 a dia seven years ago because of Govsoft drinks manufacturer, yester-day reported higher fourth-quarter per cent to \$7.36bn from \$6.83bn. seeking to return to take advantage of the country's improved business. and full-year earnings, buoyed by a

The group said it was "optimistic" about prospects in 1985, but warned that "dollar earnings growth, particularly in the first and second quarreported a 10 per cent rise in operations." ters, will be moderated if the U.S. erating income last year. The dollar remains at the very high current levels against key foreign currise in U.S. soft-drink sales to the

Cola reported net earnings of Sprite. \$130.45m or \$1 a share, compared Cocawith net earnings from continuing operations of \$120.3m in the year-ago period, before a \$4.3m gain made final net earnings of \$124.6m or \$1 cents a share. Revenues in the fourth quarter. or 91 cents a share. Revenues in- per cent in both periods despite a 59

full-year net earnings to \$628.8m or 

■ Coca-Cola and IBM, which left In-

sources, tha sugar refining group which is a key segment of the finan-cial empire of Nelson Bunker and

W. Herbert Hunt of Dallas, is in de-

teriorating financial condition, ac-

cording to the company's annual re-

Exchange Commission.

port filed with the Securities and

For the three years ending last

September 30, the company experi-

enced losses of more than \$210m

and had a working capital deficit of

\$291m on September 30, according

Hunt International said it was

and full-year earnings, buoyed by a 6 per cent increase in worldwide unit volumes and tha continued success of Diet Coke in the U.S.

Coca-Cola said worldwide soft of the country's improved business and tha continued success of Diet Coke in the U.S.

The group said it was a worldwide soft of the country's improved business from Ne per cent last year led by the U.S.

Both IBM and Coca-Cola have the country's improved business from Ne per cent last year led by the U.S.

Both IBM and Coca-Cola have the country's improved business from Ne per cent last year led by the U.S.

Both IBM and Coca-Cola have the country's improved business from Ne per cent last year led by the U.S. The company said its U.S. opera-tions, which include its soft-drinks

continued success of Diet.Coke and In the 1984 final quarter, Coca- the improved performance of

creased by 3 per cent to \$1.78bn per cent decline in Nigeria which from \$1.73bn.

The final-quarter results lifted ment import restrictions."

DALLAS - Hunt International Re- stock is privately held by Planet In- repay that debt as it was presently

pledged to the Hunt brothers to se-

ufacturers Hanover Trust last year.

and its subsidiaries.

The company, headquartered in, not expect cash flow from opera-

by four of its subsidiaries.

NOTICE OF REDEMPTION

**BURLINGTON OVERSEAS CAPITAL N.V.** 

7%% Guaranteed Debentures due 1987

(now, BURLINGTON INDUSTRIES, INC.)

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of April 1, 1972. providing for the above Debentures, there will be redeemed for account of the Sinking Fund on April 1. 1985 (the "Redemption Date"). \$1.212,000 principal amount of the 7½% Guaranteed Debentures due

1987 (the "Debentures"), at the redemption price of 100% of the principal amount thereof plus accrued interest to the Redemption Date.

On and after the Redemption Date the Debentures designated above will become due and payable upon presentation and surrender thereof, with all coupons maturing subsequent to April 1, 1985, attached, presentation and surrender thereof, with all coupons maturing subsequent to April 1, 1985, attached, either, at the option of the holder, at the office of Chemical Bank, Corporate Trust Tellers. 55 Water either, at the option of the holder, at the office of Chemical Bank, in London and Brussels, or Street, New York, New York 19041 or et the main office of Chemical Bank, in London and Brussels, or at the main office of Algemene Bank A.G. in Amsterdam, or at the main office of Deutsche Bank A.G. in Frankfurt or at the main office of Banca Commerciale Italians in Milan, or at the main office of Credit Lyonnais in Paris, or at the main office of Kredietbank S.A. Luxembourgeoise in Luxembourg, or at the office of Swiss Bank Corporation in Switzerland.

Interest on the Debentures so designated for redemption aball cease to accrue on and after the Redemption Date. All coupons maturing after said date which appertain to such Debentures shall be void demption Date. All coupons maturing after said date which appertain to such Debentures shall be void.

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The serial numbers of the Debentures which have been selected (each bearing the prefix letter "M") are:

\*Both IBM and Coca-Cola have been looking for opportunities to re-Mr Edward R. Stempf, a U.S. em-bassy commercial counsellor, said at an exhibition of U.S. electronic technology. The two companies left India after the coalition Government that came to power in 1977 decreed that foreign companies could own no more than 40 per cent of their Indian subsidiaries' shares The Government also ordered for-

gredients of their products.

IBM refused to reduce equity par-ticipation in its Indian subsidiary and Coca-Cola said it was not willing to publish its ingredients be-cause that would reveal its secret

> Privatbanken, the third largest bank, with a balance-sheet total of DKr 86.9bn, increased earnings after depreciation and provisions to DKr 216m compared with a loss of DKr 265m in 1983. Net profits were down from DKr 1.3bn to DKr 85m following a decline in the portfolio value of DKr 95m compared with an increase of DKr 2.4bn in 1983. The dividend will be an unchanged 15

Jyske Bank, which has shown an exceptional growth record over the past few years, proposed an unchanged 20 per cent dividend after mcreasing earnings after deprecia-tion and provisions to DKr 221m from a loss in 1983 of DKr 285m. There was a DKr 197m loss on the a 1983 gain of DKr 1.7bn.

### Hunt brothers' sugar operation faces mounting debt problems

The company and its subsidiaries cure payment of a promissory note were also the target of several law suits last year alleging default on outside debt and other financial and purchased by the Hunts from Man-The company said it was in de-

fault under most of the debt agree-The company said it was owed \$37.9m by its parent company, Planments entered into by the company Peat, Marwick, Mitchell, auditors

It said its debt situation was comqualified Hunt International's fiplicated by the filing under Chapter 7 of the Federal Bankruptcy Code nancial statements because of the uncertainty surrounding the pay-ment of this obligation as well as The company said it was in deother uncertainties surrounding the selling assets to halp deal with its fault on about \$295m on debts as of company's future finances. September 30, It added that it did

The Hunts have in the past said they are not legally liable for the Dallas, is not publicly traded. Its tions to be sufficient to service or \$37.9m owed by Planet. Reuter

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### for big Danish banks

DIFFERENCES between Lehr

THREE of Denmark's largest banks have each achieved substantial increases in operating profits but suffered sharp reductions in net

Danske Bank, with 5 group bal-ance sheet total that increased by 27 per cent to DKr 105bn (\$8.8bn) from DKr 153m to DKr 487m. The bank proposed an unchanged 15 per cent dividend and a DKr 200m share issue at market price, in-creasing its nominal share capital from DKr 300m to DKr 500m. The issue, for which no date was indicated, will raise around DKr 600m

The year-end value of the bank's securities portfolio increased by DKr 36m compared with an in-crease of DKr 249bn in 1983. Net profits were down from DKr 1.6bn

Net profits were down from DKr 912m to DKr 53m. The balancesheet total increased by 20 per cent and stakes in two refineries to First two years under which the Italian cent in refineries near Rome and a whola in 1985, although sales are to DKr 28.6bn.

#### Arco set to develop Java Sea field

ATLANTIC RICHFIELD, the Los Angeles-based oil company, is to go ahead with the \$660m development of the Bima oil field in the Java See some 60 miles north of Jakaria, the Indonesian capital

The Bima field was discovered in November 1983 and after the drilling of 19 exploratory wells has esti-mated recoverable reserves of 190m o 150m barrels of oil, with 1bn bar rels of oil in place.

The first phase of the development production, at the rate of 50,000 barrels a day, will begin late next year. Phase two, now in the early planning stage, could increase production to \$5,000 b/d. Atlantic Richfield Indonesia has

a 16 per cent stake in tha Bima project and is operator for a group of companies holding e production-sharing contract with Pertamina the Indonesian-owned state oil com-

any. Diamond Shamrock has a 34.27 per cent stake in the project, Read-ing and Bates International a 7.25 per cent stake, Deminer 5 per cent and the balance is held by C. Itoh Energy Development, Warrior Minyak, and Tidewater. Atlantic Richfield and Pertamina

500m barrels of production from In-donesia's Java Sea since 1971. At-187,000 barrels s day from the Java

#### **Texaco Canada** increases share offering

TEXACO, the third largest U.S. oil group, has increased the size of its public offering in Canada of stock in Texaco Canada Inc. to 14m shares from the previously an-nounced 12m. It has agreed to sell writing syndicate at C\$34.60

The aggregate sale price C\$484.4m (\$381m). The move follows strong interes

from individual Canadian inv The offer, which is not available i the U.S. or to U.S. citizens or res dents, is the largest of a Canadia company ever sold in the Canadia

Including the acquisition of Car lian Reserve Oil and Gas, approve February 7, Texaco Canada's tota

### Intra group row could threaten aid to Lebanon

BY RICHARD JOHNS IN BEIRUT

and Gulf shareholders, particular those of Kuwait, in the Intra Investment Company might boil over as a result of plans by Mr Roger Tamraz, chairman and chief executive, to expand its banking interests in Beirut, and a recent property pur-

A board meeting to be held today will discuss the acquisition of a large office building in West Beirut - already completed - and the state of negotiations for the take-over of all or part of the operations of three Lebanese banks through Bank Al-mashrek, which is 64 per cent owned by Intra.

It is understood that directors representing the three Gulf institutional shareholders, which have complained over the past year Mr Tamraz's dashing entrepreneurial style, will not be present at the meeting. The Gulf stakes in the concern (formed after the 1966 In-tra Bank crash) are held by tha Kuwait Government (19 per cent), the National Bank of Kuwait (4 per cent) and the Qatar Government (3 per cent). The Lebanese Govern-meat and central bank have a 41

shareholders owning the balance. The row, it if escalates, might reduce Lebenon's chances of receiv ing much needed aid from the Gulf ates. Saudi Arabie is reliably said to have included among its condi-tions for making finance available the dismissel of Mr Tamraz from his senior posts in Intra and Bank

Mr Tamraz, who is also chairman and chief executive of Bank Almashrek, confirmed to the Finan-cial Times that the purchase of the Liberty Building in West Beirut had been finalised at a cost of L£100m (\$6.95m) payable in e hump sum in two years' time — less than the mainly Saudi group of speculators who now own the building peid for

it just over a year ago to Moscow Narodny Bank. Mr Tamraz a 44-vear-old Cairo born Lebanese entrepreneur also confirmed that Bank Almashrek was bidding for the bulk of the as-sets of Deak-Perera, troubled U.S. foreign exchange and precious me-

Ha also acknowledged that Bank Almashrek was interested in expanding in Lebanon but declined to say which banks it was talking to. According to well informed bankmashrek's negotiations involve So ciété Nouvelle de la Banque de Sy rie et du Liban (seventh largest at the end of 1953 with a balance sheet of LC198bn), Banque de L'Industrie et du Travail (18th at LEL64bn), and the local operations of Chartered Bank of the UK (79th at L£87.9m). At the end of 1983 Bank Almashrek

was 15th largest with a balance sheet worth L£1.80bn. Bank Almashrek is also in the final stages of completing the take over of First Phoenicia Bank, which has been in central bank custodian ship since its rescue at a cost of L£800m in 1983.

A decision is expected soon by Mr Camille Chamoun, the Finance Minister, and Dr Edmond Naim, the governor of the central bank.

Under the deal in prospect, money pumped into First Phoenicia by the ceatral bank would be repaid by Bank Almashrek over 10 years, according to Mr Tamraz.

Gulf and, in particular, Kuwaiti differences with the Lebanese Government go back to the appointment of Mr Tamraz to top positions at Intra in August 1983 at the be-hest of President Amin Gemayel, a close associate, and in December of that year to the head of Bank Al-

by 18% in year ASEA, the Swedish electrical engieering and electronics group, reports an 16 per cent rise in profits before tax and allocations to SKr 2.23bn (\$238m) for 1984, boosted by

#### pared with a loss of SKr 30m last year and boosted the result after financial items to SKr 2.43bn.

Extraordinary costs were SKr 199m, an increase of SKr 78m. Earnings per share after estimate tax were put at SKr 29.60, against SKr 24.70 tha previous year. Return on equity rose from 15.8 per cent to 16.9 per cent, and return on capital employed from 20.8 per cent to 22.7

Fläkt, the ventilation and pollution-control equipment subsidiary, lifted sales by 17 per cent to SKr 8.96bn and pre-tax profits by 21 per cent to SKr 249m largely because of better financial and extraordinary

Asea expects an improvement, after financial items, for the group as expected to grow more slowly

### Chevron sells Italian subsidiary

CHEVRON, the U.S. oil company, said yesterday that it was in the fi-nal stages of negotiating the sale of its Italian refining and distribution subsidiary to First Arabian Corporation, a Saudi-backed concern headed by Mr Roger Tamraz which of Indiana in 1983. If the purchase the Italian market.

The U.S. company said it expected to conclude in the future the Italian petroleum products market. transfer of 2,000 marketing outlets

Financial details were not released but Chevron said the deal would safeguard the jobs of all its 780 employees in Italy.
First Arabian bought Amoco's
Italian operation from Standard Oil

already has some involvement in of Chevron's interests goes through, the Italian market. have more than 7 per cent of the The deal would be the third in

operations of a U.S. oil major have

from the Tam Oil purchase, Gulf's Italian operations were sold to the Kuwait Petroleum Corporation last

Chevroa itself sold most of its operations in northern Europe to Texaco in 1983, but did not then dispose of its stake in the generally unprofitable Italian market.

Chevron's Italian operations include stakes of more than 20 per

The Notes were offered and sold outside of the United States of America.

This announcement appears as a matter of record only.

### Kellogg Company

U.S. \$100,000,000 10%% Notes due January 15, 1990

U.S. \$100,000,000 111/4% Notes due January 15, 1992

Goldman Sachs International Corp.

Deutsche Bank Aktiengesellschaft

Union Bank of Switzerland (Securities) Limited

Bank of Tokyo International Limited **Barclays Merchant Bank Limited** 

**Credit Suisse First Boston Limited** 

Manufacturers Hanover Limited Morgan Guaranty Ltd

Salomon Brothers International

Julius Baer International Limited Banca della Svizzera Italiana

Bank Leu International Ltd. Great Pacific Capital S.A.

Lombard, Odier International S.A.

Banque Nationale de Paris Citicorp International Bank Limited Dresdner Bank Aktiengesellschaft Samuel Montagu & Co. Limited Morgan Stanley International

Swiss Bank Corporation International

Banca del Gottardo

Bank Gutzwiller, Kurz, Bungener (Overseas) Limited

Darier & Cie.

Hentsch & Cie Pictet International Ltd.

Swiss Volksbank

February, 1985



DATED: February 21, 1985

**NEW ISSUE** 

#### This announcement appears as a matter of record only

February 1985

### JCPennev

¥26,000,000,000

J. C. Penney Company, Inc. (Incorporated in Delaware)

634 Per Cent. Notes Due 1992

The Nikko Securities Co., (Europe) Ltd.

Morgan Guaranty Ltd

Mitsui Trust Bank (Europe) S.A.

**Bank of Tokyo International Limited** Banque Nationale de Paris Dresdner Bank Aktiengesellschaft IBJ International Limited Kyowa Bank Nederland N.V. Mitsubishi Finance International Limited Mitsubishi Trust & Banking Corporation (Europe) S.A. Morgan Stanley International Salomon Brothers International Limited Sumitomo Finance International

Yamaichi International (Europe) Limited

Banque Bruxelles Lambert S.A. Daiwa Europe Limited Goldman Sachs International Corp. Kleinwort, Benson Limited Manufacturers Hanover Limited

Nomura International Limited Smith Barney, Harris Upham & Co. Incorporated Svenska Handelsbanken Group Yasuda Trust Europe Limited



### National Bank of Hungary

(Magyar Nemzeti Bank) **Budapest** 

DM 100,000,000 7%% Deutsche Mark Bearer Bonds of 1985/1993

Issue Price: 100% - Interest: 7 1/4% p. a., payable annually in arrears on February 15 · Redemption: on February 15, 1993 at par - Denomination: DM 1,000 and DM 5,000 · Security: Negative Pledge Clause · Listing: Frankfurt/Main

COMMERZBANK

ARAB BANKING CORPORATION

(ABC)

**BANQUE PARIBAS** CAPITAL MARKETS CREDITANSTALT-BANKVEREIN

DRESDNER BANK

THE INDUSTRIAL BANK OF JAPAN

(LUXEMBOURG) S.A.

**KUWAIT FOREIGN TRADING** CONTRACTING & INVESTMENT CO. (SAK)

NOMURA INTERNATIONAL

**ORION ROYAL BANK** 

**DEUTSCHE BANK** 

Amiro International Limited
Bank America Capital Markets Group
Bank of Tokyo International Limited
Banque Bruxelles Lambert S.A.
Banque Générale du Luxembourg S.A.
Banque Internationale à Luxembourg

sanque utenerate da Lixem Banque internationale à Lix Banque Nationale de Paris Barclays Bank Group Bayeriache Hypotheken-un Aldiengesellschaft verische Landeshank Girozentrale

Aktiengesellschaft Joh. Berenberg, Gussier & Co. Berliner Bank Aktiengesellschaft erliner Handels- und Frankfurter Bank Chemical Bank International Limit ercial de France

Crédit Lyonnais Daiwa Europe Limit Delbrück & Co. Deutsche Giroze

DSL Bank Deutsche Siedkungs- une Effectenbank-Warburg Aktiengesellschaft

LTCB International Limited Merck, Finck & Co. B. Metzler seel. Sohn & Co. Mitsubishi Finance International Limited Mitsui Finance International Limited Samuel Montagu & Co. Limited The Nikko Securities Co., (Europe) Ltd. Norddeutsche Landesbank Sal. Oppenheim jr. & Cie. Österreichische Länderbank

Aktiengesellschaft Trinkaus & Burkhard Vereins- und Westbank

burg-Brindomann, Wirtz & Co.



IDB INTERNATIONAL N.V. U.S.\$30,000,000

Guaranteed Floating Rate Notes 1990 ouditionally and irrevocably guaranteed as to payment of principal and interest by

ISRAEL DISCOUNT BANK LIMITED For the six months 21st February, 1985 to 21st August, 1985 the Notes will carry an interest rate of 91% 7 per annum. The relevant Interest Payment Date will be

on 21st August, 1985 Bankers Trust Company, London Fiscal Agent

#### FIRST CHICAGO OVERSEAS FINANCE N.V.

U.S.\$100,000,000 Guaranteed Floating Rate Subordinated Notes Due 1994

For the three months 21st February, 1985 to 21st Mey, 1985
The notes will carry an interest rate of 9%% per annum with a coupon amount of U.S.\$230.23. The relevant interest payment date will be 21st May, 1985. Listed on the London Stock Exchange

**Bankers Trust Company** 

### INTL. COMPANIES & FINANCE

### **Swiss Rey** group aims for banking expansion

WERNER K. REY. the Swiss financier, has been in and out of the headines ever since his surprise takeover of the Bally shoe concern in company shortly afterwards. Mr Rey soon began to build up a permanent - and highly up a permanent — and highly diversified — corporate empire. This is now being expanded further by the purchase of the Swiss-based Phibrobank from Philipp Brothers, the comodity trading arm of Phibro-Salemon of the U.S.

The first of Mr Rey's financial services activities was the Hamburger Handelsbank, a German private bank which he bought in 1983. This was a modest acquisition, its assets amounting to about DM 150m (\$45m). But the fact that the seller was the Hoffmann-La Roche group showed that Mr Rey, for long an outsider within the Swiss business community. accepted establishment.

he bank acted as a spring board for the subsequent creation of a financial services arm. Mr Rey has already built up a sizeable industrial

John Wicks reports on the latest deal by Swiss financier Werner K. Rey

operation, centred on Selve a metal works, Inspectorate International, a Inspection and c consulting engineering firm.

ar Rey's next foray into bank ing was less of a success. At the start of last year he bid for 2 26 per cent stake in Beverly Hills Savings and Loan, a Californian bank specialising in property fin-ance with assets of \$1.8bn. The deal foundered on the opposition of other sharebolders. Mr Rey retains a stake of 9.8 per cent. learnyhile other developments

were under way. Omni Finance was set up in Zurich to provide corporate and project



Werner K. Rey: building up a diversified corporate empire

finance consultancy services. It has a real estate investment unit, Omni Property which has an office in New

Omni Finance also has a computer brokerage and leasing company with operations in Italy and the UK. Last year the Phibro-Salomon concern began to think about

disposing of its bank in Zug. which has a London branch. The deal with Phibro-Salomon adds a bank with a 1984 balance sheet of over SwFr 530m (\$188m) to the Rey empire—and even this is

only a rough guide to the real size of Phibrobank, much of whose business is in non-interest activities. Admit-tedly, the bank is not currently very profitable. Net earnings fell from SwFr 4.85m to SwFr 2.5m last year.

year.

However, this seems to have been the result in part of the five or six months of uncertainty before a buyer was finally found. Mr Brian McHugo, managing director of Omni Finance, expects profitability of Phibrobank to improve rapidly.

Phibrobank, whose main activities have been portfolio management, international trade financing and foreign exchange, is to keep the

exchange, is to keep the emphasis on fee-earning rather than interest-bearing operations, says Mr McHugo.

#### NOTICE OF EARLY REDEMPTION

THE MORTGAGE BANK AND FINANCIAL ADMINISTRATION AGENCY OF THE KINGDOM OF DENMARK Kongerioet Danmarka Hypot

Notice is hereby given that, pursuant to Condition 5(8) of the Terms and Conditions Condition 5/6) of the Terms and Conditions of the above mensioned notes (the "Motes"), at of the Notes will be redecised on April 11, 1985 (the "Redemption Date") at man Principal Amount. The April 1985 coupons and any coupons which material prior to the Redemption Date should be detected and sumendered in the Jesual manner. Interest on the Notes shall cause to accrue from and after the Redemption Dates.

Paymers will be made upon presentation and sumendered the Motess logisties with all unmastured coupons attached, at the offices of any of the Paying Agents.

February 23rd, 1985 February 23rd, 1985 The Chees Manhatten Bank, K.A.

### Credit Suisse lifts payout following 19% profits gain

cent improvement in net profits for last year to SwFr 417m (\$148m). This took place des-pite a rise of 8.8 per cent in losses, depreciation and provisions" to SwFr 445.3m.

Mr Robert Jaker, the management chairman, said yester-day that the bank reckaned with a further improvement in 1985. Credit Suisse is to recom-

mend gross dividend payments that from securities pa of SwFr 100 per bearer share tions and other sources and SwFr 20 per registered per cent to SwFr 461m.

was due largely to higher net interest and letter-of-credit earnings totalling SwFr 728.2m, against SwFr 635.8m, and net commission income up from SwFr 663.4m to SwFr 732.3m.

Elsewhere income from foreign exchange and precious metals dealing showed a slight decline of SwFr 264.3m, while that from securities participations and other sources rose 10

CREDIT SUISSE plans a dividend increase following a 19 per dend increase following a 19 per cent improvement in net profits

The increase in net profits half of this growth due to the stronger dollar exchange rate.

Mr Jaker said that the balance-sheet total is likely in grow by several billion Swiss francs again this year, though this would not necessarily call

for an increase in share capital.
Credit Suisse, which recently
took a stake in London stockbroker Buckmaster and Moore,
is the first of Switzerland's bigthree commercial banks to

### German leasing company faces DM 1.9bn losses

BY JOHN DAVES IN PRANKFURT

Denische Anlagen - Leasing, (DAL), the West German lessing concern, face a larger bur- lems have emerged. den than earlier expected as a

DAL's losses and write-offs are thought now to total about DM 19bn (2570.5m), although the definitive figure is unlikely to be disclosed until after the bank shareholders have received a report from the examining

DAL's 1982 results amounted to DM 256m, of which DM 224m Wielens.

THE BANK shareholders in had to be met by the leasing group's owners. The figure for 1983 has steadily risen as prob-DAL is owned by West

of DAL's financial deutsche Landesbank (30 per cent), Landesbank Rheinlands losses and write-offs Pfalz (26.6 per cent), Bayerought now to total about ische Landesbank and Hessische Landesbank (each 16.7 per cent) and Bresdner Bank (10 per cent).

Herr Andreas Stephan, head of a co-operative bank leasing concern, is to take over as DAL's The losses and write-offs on new chief executive in May. He AI's 1982 results amounted to succeeds Professor Hans

### Allianz drops SA deal

owned group. Allianz said that after initial contacts, AA Mutual had made contacts, AA Minual had made The German concern is clear it would prefer to remain already represented theer by as at present constituted. As

ALLIANZ, West eGrmany's big- a result no further talks would

gest insurance concern, has be held.

Acquisition of AA Mutual with Acquisition of AA Mutual with a premium income more than insurance company controlled. S550m or about DM 600m, by Kirsh Industries, a privately.

Would have given Allianz a far the controlled and the controlled strenge with a controlled strenge with the controlled stren stronger presence on the South African market.

### PKbanken earnings slip

PKBANKEN, the State-owned entire PKbanken group fell 10 Spanish Basque region in recent commercial bank which ranks per cent to SKr 1.29bn, in line among Sweden's top three lendwith its forecast at the eighting institutions, reports a 14 month stage. Total income grewper cent decline in 1984 operating are cent to SKr 3.09bn a drop in innerest income being the 1984 formover of CIR, the (SIFEM) but says results will more than offset by sharphy italiah manufacturing and interprove this year, writes David higher commission fees.

An unchanged dividend of 1.330bn and 1.30bn and 1.3 Brown in Stockholm. Operating cincome for the SKr 4 a share in proposed.

#### U.S. group in Spanish. glassmaker deal By David White in Madrid

GUARDIAN INDUSTRIES of the U.S. has obtained authorisa-tion from the Spanish govern-ment to take majority control of Vidrierias de LLodio, Spain's

argest ludependent glassmaker. one through mps and downs in the last few years, is aimed at enabling the company to stand up to the domination in the Spnaish glass market by Saint Gobain, the French state-owned

group. The approval follows a deal by Guardian a year ago to take 48 per cent of the company, the only major concern in the industry not controlled by Saint Gobain.

A new float glass unit at Vidrierias de Llodio is scheduled to start operating in August, representing an investment of Pla 6bn (\$23m).

The Quardian agreement vines the company at Pla 7.1bn. or more than one and a half times is nominal capital of

or more than ane and a half times is nominal capital of Pti 4.6bm.

The U.S. group has up to the end of 1987 to exercise its option to assume up to 100 per cent control. Three years ago it pulled out of an earlier plan to acquire the company.

The investment is one of the largest made by a foreign company in the politically irruphed

pany in the politically-troubled

higher commission fees. vestment holding company was An unchanged dividend of L330bn and not L30bn as re-

ANADIAN TIME Promotor, Indian pr	adupts	·:	Motor muscleoterer	7. "	-	THE LIMITED MIC. Woman's slothing mail order	
Possib quarter	CS	CE.	Fourth quarter	1984	CS	Fourth quarter 1984	1963
446000	327. Per	\$04.5m	Revenue	3,40tus	3.90ba	Reverse 433.7m	312.3m
et peolits	13.24	. 12.3m	. Not profits	146.3m	24,500	Het profits	24.3m
Year.	10.04	0,18	Not per share	17.85	10,12	Not per share	. 0.10
**************************************	. 2.11hq	1.10hm	Hoverno	12.1bm	2.500m	Révenie 1.34bn	1,09ba
et proms	28.7m	48.Am	Not profits	433.8m	107.0m	Not profits 92.5m	70.9m
ot per share	, 0.36	. 0.46	Not per abore	62.25	18.40	Not per share 1.54	1.18
HESENROUGH-PONC			JWT QROUP Advertising PR			LOEWS' CORPORATION Clysretine, insurance, finance, i	hotols
Fourth quarter	1964	1983	Pourth quarter	.1904	1983	Pourth quarter 1904	1983
94900P	446.0m	433.7m	Revenue	141.7m	131.0m.	Revenue 1.490m .	1.37ba
et proffit	35.0m	29.3m	Net profits	5.8mm	. 6.50	Not profits 122.1m	. <b>79.3</b> m
tet per obere	1.07	0.84	Year	0.43	0.72	Not per shere 1.50 Year	<b>4.87</b>
**************************************	1.30ba	1.00bm	Revence	518.5m	400.2m	Nevense 5.60ba	5.20bb
et profits	118.5m	. 127.0m	Not profile	20.5m	17.6m	Not profite	298.6m
et per share	3.40	3.58	Het per chare	224	2,02	Not per share 3.73	3.69
ar her arm anniances							



### Kingdom of Spain

Issue on a yield basis of £60,000,000

113/4 per cent. Loan Stock 2010

Issue price £94.895 per cent.

The Stock has been admitted to the Official List of The Stock Exchange of the United Kingdom and the Republic of Ireland for quotation in the Gilt-edged

The Offer of the above Stock has been oversubscribed and the basis of allotment is as follows:

Principal Amount Applied For Up to and including £9,000 £10,000 and above

Allotment 6.9 per cent.

rounded to the nearest £100 with £50 rounded downwards

Dealings will begin at 9.30 a.m. today, Friday, 22nd February, 1985 for deferred settlement on Thursday, 28th February, 1985.

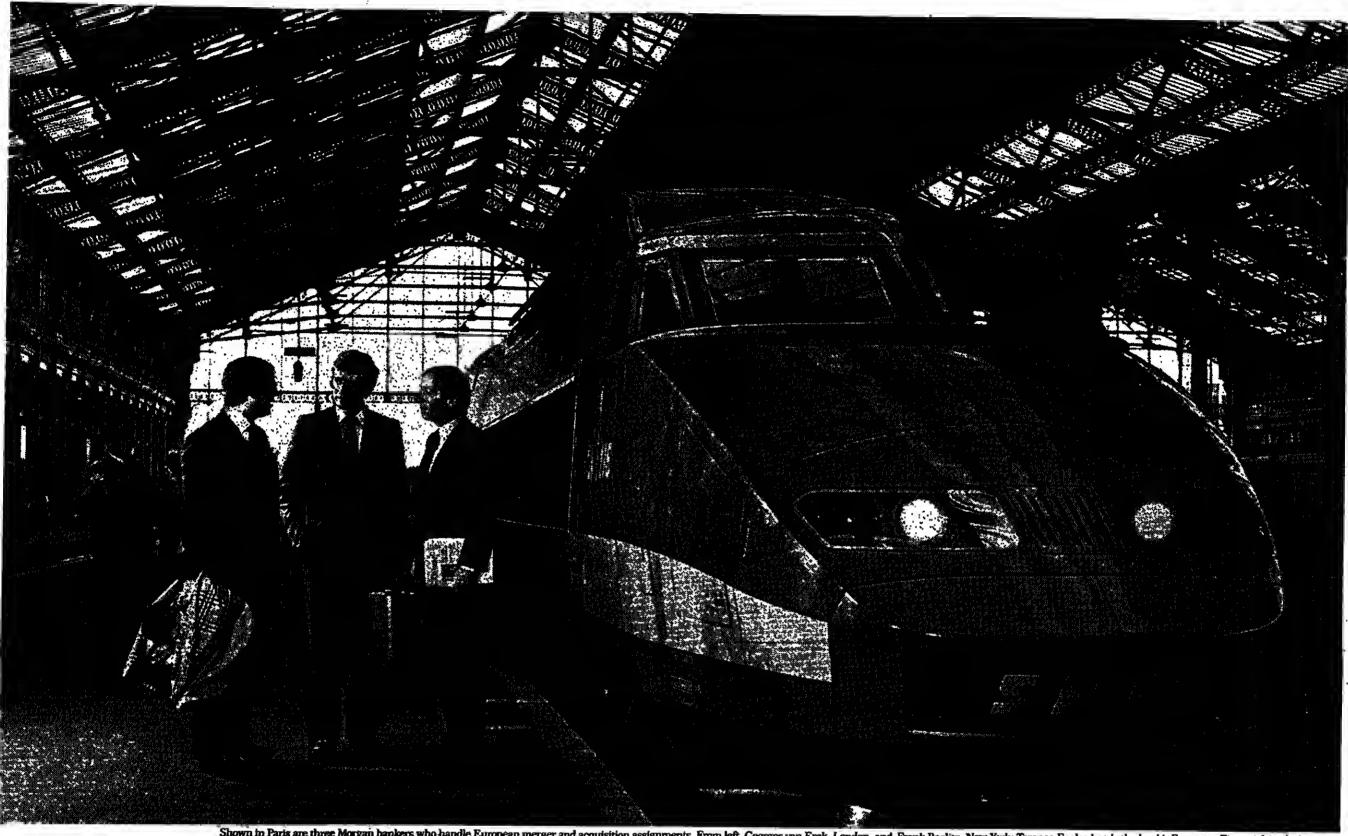
Samuel Montagu & Co. Limited

on behalf of

Kingdom of Spain

22nd February, 1985

# Why multinationals seeking to buy or sell a company should begin at The Morgan Bank



Morgan is a major force in cross-border mergers and acquisitions and divestitures because we offer to buyers and sellers anywhere in the world key advantagescreativity, depth of experience, breadth of resources, attention to confidentiality, and objective advice.

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Talk to Morgan's M&A professionals in New York, in London, in Tokyo and you'll quickly discover Morgan can help you in many key ways-whether you intend to buy or sell. Morgan's strengths include:

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The Morgan Bank



### Norsk Hydro a.s

#### £50,000,000

115/s per cent. Notes 1991

Issue Price 100 per cent.

Interest payable annually on 4th March

The following have agreed to subscribe or procure subscribers for the Notes: Swiss Bank Corporation International Limited Hambros Bank Limited

Amro International Limited **Credit Suisse First Boston Limited** Deutsche Bank Aktiengesellschaft **Banque Paribas Capital Markets** Den norske Creditbank Samuel Montagu & Co. Limited S. G. Warburg & Co. Ltd.

Salomon Brothers International Limited Application will be made for the Notes, in bearer form in the denomination of £1,000 each, constituting the above issue to be admitted to the Official List by the Council of The Stock Exchange, subject only to the issue of the temporary global Note. Interest will be payable annually in arrears on 4th March, the first payment being made on 4th March, 1966.

Particulars of the Notes and the Issuer are available in the statistical services of Extel Statistical Services Limited. Copies of these particulars may be obtained in the form of an Extel Card during usual business hours on any weekday (Saturdays and public holidays excepted) from the Company Announcements Office of the Quotations Department of The Stock Exchange, Throgmorton Street, London EC2P 2BT, up to and including 26th February, 1985 or during usual business hours on any weekday (Saturdays and public holidays excepted) at the addresses shown below up to and including 8th March, 1985:—

Hambros Bank Limited,

Rowe & Pitman, I Finsbury Avenue, London EC2M 2PA

Strauss, Turnbull & Co. Limited, 3 Moorgate Place, London EC2R 6NR

Wood Mackenzie & Co. Limited, 62'63 Threadneedle Street, London EC2R 8HP

RepublicBank Corporation

**Credit Suisse First Boston Limited** 

Floating Rate Subordinated Notes Due 1997

This announcement appears as a matter of record only.

U.S. \$150,000,000

New Issue / February, 1985

**Bankers Trust International Limited** 

Dai-Ichi Kangyo International Limited

Fuji International Finance Limited

**IBJ International Limited** 

LTCB International Limited.

**Merrill Lynch Capital Markets** 

Mitsui Trust Bank (Europe) S.A.

Société Générale de Banque S.A.

Swiss Bank Corporation International Limited

Orion Royal Bank Limited

S.G. Warburg & Co. Ltd.

**Banque Paribas Capital Markets** 

Baring Brothers & Co., Limited

22nd February, 1985

Salomon Brothers International Limited

Bank of Tokyo International Limited

**Dresdner Bank Aktiengesellschaft** 

Goldman Sachs International Corp.

Mitsubishi Trust & Banking Corporation (Europe) S.A.

Lehman Brothers International

**Manutacturers Hanover Limited** 

Banque Nationale de Paris

**Barclays Bank Group** 

**County Bank Limited** 

Morgan Guaranty Ltd

Sanwa International Limited

**Sumitomo Trust International Limited** 

Union Bank of Switzerland (Securities) Limited

### INTL. COMPANIES & FINANCE

### Trust Bank resumes dividend payments after seven years

TRUST BANK, South Africa's fifth largest banking company, has re-sumed ordinary dividend payments and a total of R42.9m was disclosed after a break of seven years. The nary dividend of 4.5 cents from first-half earnings of 15.8 cents a

Trust does not fully disclose its profit figures, but has declared an interim net income of R21m (\$10.5m) after tax and transfers to oner reserves for the six months nded December 31 1984.

for the financial year to June 30 1984. Dr Chris Van Wyk, managing director, says the disclosed income reflects the longer-term trend in Trust's profits, which, be believes, is more important than year-byyear fluctuations which may been little resemblance to fundamental underlying trends.

Dr Van Wyk says the economic

Disclosed net income was R20.5m ingly difficult and that corporate insolvencies are increasing. Trust, he says, has adopted an increasingly conservative policy towards bad debt provisions even though that has contributed to a narrowing of hanking margins. The lifeboat loan extended by the Reserve Bank when Trust came perilously close to failure in 1977 will be repaid in full by March In addition, all the bank's preference shares were converted to ordinary shares on DeCanadian Imperial Bank of Commerce (A Canadian Chartered Bank)

U.S. \$150,000,000

Floating Rate Deposit Notes Due 1996

In accordance with the provisions of the Notes, notice is hereby given, that for the interest Period from November 30, 1984 to February 28, 1985 the rate for the final Interest Sub-period from February 21, 1985 to February 27, 1985, has been determined at 944% per annum, and therefore the amount of interest payable against Coupon No. 2, or per US\$10,000 nominal in registered form, on the relevant interest payment date. February 28, 1985, will be US\$220.32

The Chase Manhattan Bank, N.A., London, Agent Bank

February 22, 1985

CHASE

### Trade unions consider buy-out of Pan Am

BY TERRY DODSWORTH IN NEW YORK airline, are considering the possibil-

ity of a leveraged buy-out of the Mr Terry Hickman, leader of the pilots' association at the company, said the unions had decided to look into a buy-out because "there probably is not an amployee-intensive corporation in America today that

is not thinking about it." In the typical leveraged deal, em-ployees of a company borrow mon-ey to acquire the equity of the business, in which ownership may be limited to a few senior managers or

THE FIVE trade unions of Pan the whole workforce. In the siring American, the transatlantic U.S. industry, a plan of that type is curindustry, a plan of that type is cur-rently being investigated at Frontier Airlines, while many carriers have introduced equity sharing pro-grammes over the past 12 months as part of agreements to cut operat-

ing costs.

The move by the Pan Am unions, which represent 19,000 of the struggling airline's 21,000 employees, comes at a delicate point in labour negotiations over a new contract One of the two main bodies representing ground staff, the Transport Workers Union, is now within a week of the ending of a cooling-off period, after which it would normally either go on strike or be locked

out by the company. The pilots have also run into an impasse in their discussions with the company over the past few days. As a consequence, some analysts are interpreting the buy-out proposal as a manoeuvre to attract publicity and put pressure on the company for a settlement.

Pan Am, which is known to be benefits, with concessions to increase productivity by ending re-strictive practices, said last night that it could not tell how "genuine" the union move was because it had not received any official indication of a buy-out plan.

### TNT doubles interim profit

By Michael Thompson-Noel in

THOMAS NATIONWIDE Trans port (TNT), Australia's largest transport group showed a marked rise in interim net profits for the period to December 31, from A\$15.3m

However, the interim dividend is unchanged at 8 cents a share, despite a rise in earnings per share from 7.6 cents to 12.9 cen Sir Peter Abeles, the group's

chief executive, said the improved interim performance followed "two unpleasant years," during which difficulties with U.S. operations jeopardised growth elsewhere. There was an extraordinary loss

of A\$15.7m against an extraordinary profit of A\$4.8m previously. caused mainly by foreign exchange transactions.

### Industrial Mortgage Bank of **Finland Limited**

Land and Industrial Mortgage

**Bank Limited** 

NOTICE OF REDEMPTION

Finnish Real Estate Bank Limited

81/% Guaranteed Finnish Municipalities Bonds due March 15, 1987

NOTICE IS HEREBY GIVEN, pursuant to the Figuri Agency Agreement dated as of March 15, 1972 under which the above-described Bonds were issued, that Irving Trust Company, Fiscal Agent, has selected by lot for redemption on March 15, 1985 through the operation of the sinking fund; \$489,000 principal amount of said Bonds at the redemption price of 100% of the principal amount thereof, together with accrued interest to the date fixed for redemption. The scrial numbers of the Bonds selected for redemption are as follows:

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STATES IN SECTION

### PROPERTY IN WALES

Special industrial projects and retail schemes are bright spots in a market facing cuts in regional aid, building allowances and public spending

### Cuts create uncertainty

On top of this, however, Wales faces the effects of radical changes in regional aid which have been so crucial for industrial development in the past.

Automatic grants of up to 22 per cent of the cost of new buildings, plant and machinery have disappeared overnight from significant areas. The M4 corridor between the Severn Bridge in the east and Ilanelli in the west has been down-graded, apart from a small section around Port Taibot and

Former special development areas along the Heads of the Valleye have retained their status. But Bridgend, buoyant status. But Bridgend, buoyant over the past four years thanks to its special designation since the rundown of steelmaking at Port Talbot, has been down-

graded at a stroke. In North Wales, some areas have lost all regional incentives, though Deeside-Wrexham aera has kept top grant status.

As well as radical changes in the regional aid map, there have also been major alterations in criteria governing the qualifica-tions for, and level of aid. This adds up to a decisive shift away from automatic help in favour more discretionary

carriageway, are transforming coal and steel has been strongly communications, with spin-off infinanced by generous autobenefits for local property matic regional incentives.

The 1970s regional indus-

The same is true of the construction of the Ab5 expressway in North Wales between the border and Anglesey. This is on target for completion by the end of the decade.

But worries that progress is not fast enough led the CBI, TUC and Welsh local authorities to call for a 30 per cent increase in expenditure to enable Wales to match its industrial competitors.

This is apart from the parti-cular problem of the Severn Bridge, where the Government has started a £33m programme of repair and strengthening, and commissioned a study into a eccond crossing to meet traffic

It remains to be seen how regional policy changes will bite. It is argued that Wales's relation to the rest of the UK has not greatly altered in spite of the new regional aid for the
West Midlands, which was a
significant source of investment and equities, has meant there
into Wales during the 1960s and has been little incentive for

Equally, however, there is concern that the new policy has weakened Wales's attraction for international investment, an looking for savings of some many years. More than 200 f80m in regional expenditure in foreign companies, half of them Wales — half the previously American, have set up in Wales

A SERIES of blows has rained on Welsh industry in the past year which have made it hardly surprising that the outlook for the property market has become distinctly more uncertain.

Like the rest of Britain, it faces higher interest rates, tighter limits on public spending and the slow death of industrial building allowances. On top of this, however, Wales

centrate instead on marketing its large stock of space while encouraging incoming and

tract into premises tailored to their individual needs. It has

also encouraged existing tenants to buy freeholds.

handed over recently include headquarters for Beriel (UK), new premises for the AB Elec-tronics Group and Benson

In the pipeline for 1985-86 are a floopy disk plant for

Parrot Corporation in Cymbran and a plant at St Melions, Cardiff, for Comdial to produce

The agency remains determined to create a demand led rather than supply dominated

market for industrial property. But the upheavals in regional

telephone equipment.

Its efforts have been rewarded

matic regional incentives.
In the 1970s, regional industrial effort was bolstered by the creation of the Welsh Development Agency and the Development Board for Rural Wales (now Mid-Wales Development). These were to develop industrial sites, build factories and clear derelict industrial land. its enorts have been rewarded by lettings in the first 10 months of the 1984-85 financial year of 1.3m sq ft (247 factories) against a target of 1m sq ft for the year. This has helped to reduce empty space from more than 15 per cent to 13 per cent to 15 per cent to 13 per cent to 15 per cent to 13 per cent to 15 per cen 13 per cent of the agency's 21m sq ft industrial property portfolia.

It has also been achieved

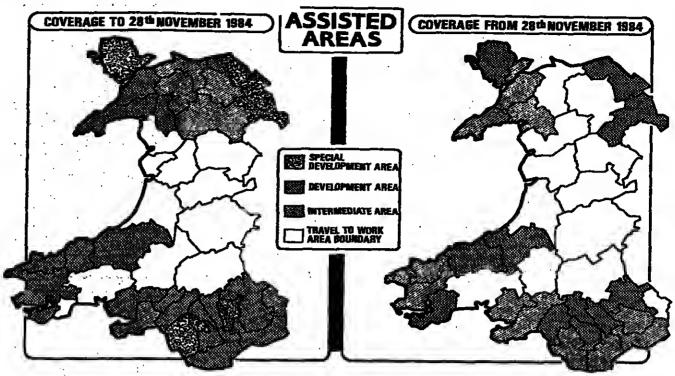
These considerably increased public sector involvement in the industrial property markets. It has also been achieved at gradually improving rents. WDA property in the Newport area is now making more than £2.50 per sq ft, and about £2 per square foot around Cardiff. The agency's average rent is now about £1.50 per square foot. Spending on purpose-built premises has risen from £2.9m in 1982-83 to £11.5m. Properties builted over recently include. The drastic rundown of employ ment in steel led to a series of advance factory programmes, which reached its peak in 1981-82 when the WDA was building them at the rate of more than

one a day.

The flooding of the market with such a large amount of space blew off course attempts to involve private sector funds down in 1979 by the new Con-servative Government. This, combined recently with

speculative building by private sector funds in all but a few select locations. Nor for participation in the agency's building programmes beyond some initial ventures with CIN Properties Norwich Union and

The agency has had to con-development and fiscal measures



Ine new generation of high-technology industry is being encouraged by the Welsh Development Agency with schemes like Cleppa Park, near Newport

building activities to the private

seem to have postponed the day of purposes, but prospective requirements of new business when the WDA and local authorities can hand over industrial mises—and are prepared to pay technologies.

technologies,

At Swansea, the WDA and
the university have joined
forces to construct a 22,000-dn-en

the university have joined forces to construct a 22,000-sq-ft innovation centre on three acres of the campus. Units will It has also to build a 130,000 Even without these changes, the market faced the problems, common in the UK, that interests of investors and tenants are tending to diverge. Private investors are still mainly interested in financing property suited to a wide range in for acres of the campus. Units will innovation centre on three innova

### **Assisted Area Status** Lampeter, Abrn. Merthyr, Rhymney Neath Port Talbot Pentypridd, Rhon. S Pembs. Wrexham Bangor, Caern. Bridgend Cardiff Fishguard Haverfordwest DA DA/IA Pwliheli NAA IA NAA IA

advanced on a comparable com-plex on Deeside Industrial Pork, in partnership with Clwyd Council and the North-east Wales Institute. Newtech and its especiated Techbase will provide nearly 70,000 sq ft built to office standards but with service provision for industrial

OA development ares; 60A specia area; IA intermediate area; NAA non

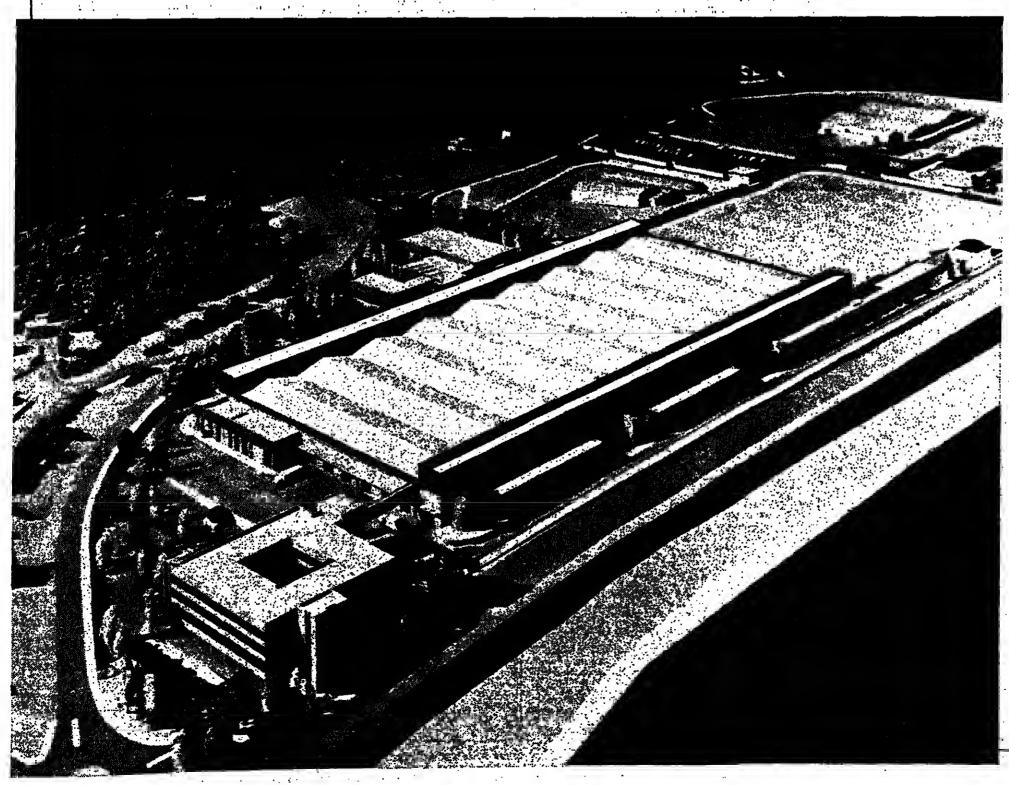
struction is about to begin on a further hightech complex at Cleppa Park, Newport, totalling 67,000 sq ft, designed to accommodate tenancies from 500 to 6,000 sq ft.

 In rurel Wales, Mid-Wales
 Development has announced the start of a second phase of its St Giles Science and Technology Park in Newtown, which will add a further 5,000 sq ft of starter accommodation to the 14,000 sq ft already built.

It has also secured its first venture on the Cefn Llan Science Park at Aberystwyth which, like the Swansea deve-lopment, is designed to attract entrepreneurs from college or

business ventures wanting university research backup. In general, MWD is finding the market for industrial property reasonably buoyant. The recent take-up of premises has reduced its stock of empty

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### Second thoughts on superstores boom

PUBLIC hearings have just finished into a scheme which Edward could prove a test case on bas stidevelopment of out-of-town cision.

development. It lies alongs a virtually complete dual carriageway link between the M4 to the north and Cardiff's dock to the north and Barry to between wholesale and retail, between is also close

reach of the prosperous middle-class commuter villages of the More generally to the Mor Class commuter villages of the Vale of Glamorgan around Cowbridge to the west.

The city council believes the development will damage the trade of evisiting food shore.

trade of existing food shops not only in these areas but also in Cardiff's centre.

planners to oppose Guardian bead of population, much higher Assurance's proposed usensgate than in England, according to shopping development in 1983. This was an American-style re-development at the eastern end of Queen Street in the central have much to commend them, shopping area. A year has according to the consumer passed since the Queensgate council. But it was concerned

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meal processing units all this key location are invited to contact the

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JOIN LEO'S, LEEKES and LOPEN at the West Wales

development of out-of-town shopping in Wales.

Tesco's plan to develop a supermarket at Culverhouse Cross, on Cardiff's western outskirts have been staunchly opposed by city planners and the decision by the Welsh Secretary which side to support will be a significant one.

The stre is also anxiety in Swansea, where retailers in the centre feel they are having to contend unfairly with the attractions of the Enterprise Zone on the edge of the city. More than half the developments in the zone are connected with distributive trades, among them some well-known retailing will be a significant one.

The site is ideal for such a development. It lies alongside a virtually complete dual

town hypermarket at Caerphilly in the early 1970s. Cardiff's centre. The density of superstores is Symilar concern led the heading towards one per 100,000

> sumer Council. Modern retailing methods

public inquiry, but Mr Nicholas that trends will lead to the Edwards, the Welsh Secretary, demise of the corner shop and has still to announce his de-local shopping parade which demise of the corner shop and local shopping parade which serve the elderly, young serve the elderly, mothers and those private transport.

More recently, the council's concern has begun to be echoed by planning outhorities, who hod seemed pleased to encourage retail investment. With unemployment high, ony investment which promised jobs, was difficult to resist.

Speaking on behalf of Welsh planning officers, Mr Eurfyl Davies, head of Cardiff's planning department, sounded the alarm. He suggested there were dangers for city centres if trends continued, particularly if hig retailing groups combine sq ft St David's Shopping Centre to provide out-of-town shopping in the middle of Cardiff,

"Good shopping facilities provide tremendous social as well as economic strength to our towns and cities. If they are allowed to move out to the fringe, we could be spreading the problem of inner city deterioration with all its economic and social problems to now-prosperous areas," Mr Davies said. But Mr Bob Mackenzie, of

CARDIFF FREEPORT

CARDIFF'S freeport has got

off to a distinctly slow start.

Although it is more than six months since details of the

financial arrangements available within freeports became available, not one company has opted to establish itself

Mr Ken Carroll, project manager of Cardiff Freeport Ltd, a subsidiary of the Pearce Group which led the

private consortium bld for

the Welsh capital's freeport.

is not downhearted. Inquiries

are coming in at the rate of

one a day, he says. And over the past couple of months

The freeport is located ou

80 acres of reclaimed land on

the Tremorfa foreshore. Until

six years ago, the British Steel

Corporation's East Moors

steelworks stood on the site.

It was cleared, serviced and landscaped by the Welsh Development Agency prior to

its designation, and stands

ready for immediate con-struction once the first com-

Fletcher

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pany decides to move in.

have become distinctly

in Cardiff.

more positive.

Slow start fails

to damp hopes

have been closely threolved the misgivings of some hig CRS and Asda—have been show however, in the Enterprise Zone, with development of the 500,000 shaps, the prime retail market a seemingly insatiable appetite in the past year has seen an in the middle of Cardiff, upturn in lettings—notably in Tesco's keenes to develop a to provide out-or-town snopping of the St Davin s Committee provide more than food, believes these fears are exaging the St Davin s Committee and do-it-yourself gerated. He acknowledges that city centre development. There are also report to be seen to b

> fident that big centres are strong enough to hold their own. Out-of-town developments were a long way from offering the total shopping experience or choice essential for fashion and price-comparison shopping, he says.

> > Work on one feature,

heliport to be operated by

Veritair, is getting under way this month. But as far as

industrial space is concerned,

Cardiff Freeport Ltd is not

proposing to build specula-tively. It is seeking orders

for bespoke units on a pre-let

Mr Carroll believes the first zone investment projects will be by overseas companies. The

has not so far proved attrac-tive enough to persuade local

companies to relocate to the

He cites development costs as one factor, Ample indus-trial accommodation is avail-

able elsewhere because of the

activities of public agencies and local authorities at £1.75

to £2 a sq ft. This does not

encourage more new building.

the zone-freedom from im-

Even the main incentive of

smaller towns needs to be considered carefully, but is con-

But Mr Bob Mackenzie, of Swansea possibly demon- of Wales. The agents Edward Erdman, who strates this case. In spite of multiples—Tesco,

the St David's Centre, the latest

There are also reports of rejuvenation of the High Street area which suffered when Swansea's premier development, the Quadrant, opened. But interest in secondary locations and suburban centres in the Swansea are is poor.

The debate is being fuelled by a remarkable houyancy in retail investment in most parts of Wales. The major food

Some planners are concerned that developments like Courts Furnishing in Swansea's enterprise zone and the proliferation of stores such as Sainsbury's in Newport, Gwent, may harm town centres

Tesco's keenes to develop a

Sainsbury, too, has been extending its activities westwards, in both inner city and edge-of-town locations. stores have opened recently in Newport, two in Cardiff's Newport, two in Cardiff's on supermarkets, are in the suburbs and a further big pipeline for Brecon, Cardigan, development is under construe. Lampeter, Bala, Newtown and tion at Swansea. This is not,

Tesco's keenes to develop = superstore at Culverhouse Cross has not ben influenced by fears town chetre retail investment is that it might dent business at either going ahead or planned, its successful new inner city including schemes being prostore alongside Cardiff's St moted by the Land Authority for Wales. Mid-Wales Development is also involved in new ment is also involved in new shopping at Aberystwyth with Tarmac and Llandrindod with Wrights of Hull.

Comparable projects, anchored

Terms have been egreed for the sale of the town centre to City and Land Company for more than £13m as part of the winding up the new town

development corporation. The centre, while the new owners plan to refurbish, covers some 43 acres, with three supermarkets, 150 shops and more than 100,000 sq ft of offices. It serves not only Combun but has drawn customers we have constructed to the supermarkets. also draws customers via uncongested road links with much of the county of Gwent.



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Edward Rushton



A decision is expected on grants up to £10m for Tarmac's £41.5m scheme for shops, industry and homes in Cardiff's derelict decklands

port duties on materials processed within its boundaries— are diluted by what businesses can do under existing UK regulations.

other freeports, is already lobbying the Government to improve incentives. Abolition

of development land tax within the zone is one sub-

Mr Carroll believes something will be done, though.

the Government would wait until completion of a review of the first year of operation.

"The U.S. zones also got off

LAND AUTHORITY FOR WALES

### Big variations in prices

GIVEN THE general state of the UK property market, de-mand for development land in selected locations in Wales is surprisingly buoyant. This is the verdict of Mr Bernard Ryan, who has just taken over as chief executive of the Land Anthority Wales after a career in public and private sector property development in

Over the past year the authority has noted a rise in prices for housing land in the right locations, with some sites in the Cardiff area exceeding £100,000 an acre for the first

But equally the market con-tinues to be characterised by big variations in prices. Development land at Barry, just a few miles from Cardiff, is still about £40,000 to £50,000 an acre, while in North Wales, historically low house prices are reflected in development land values of only £15,000 to £40,000 an acre.

Prices for less favourable locations, like the industrial valleys of South Wales have, if

anything flattened. The Land Authority for

authority's specialist role of assembling land for development, cleaning up doubts over title, putting in services, then selling to the private sector for development in manageable parcels.

By maintaining a rolling land bank, the authority aims to even the peaks and troughs of supply and demand for residen-tial, industrial and commercial

development land. Since LAW began trading in August 1976, it has acquired or contracted to acquire 2.744 acres at a cost of about £25m, and sold or contracted to dispose of 1,582 acres for about £31m. Its bank of unsold land comprises about 1.161 acres estimated to

be worth about £15.3m.



Mr Bernard Ryan: new head of LAW

tiations on the details of the £70m scheme, which will be undertaken by Tarmac Con-struction, are nearing their

In North Wales the authority Wales is a uniquo legacy of the Labour Government's Community Land Act. It survived repeal of the Act by the Tories because Mr Tod Howells, its of Rhyl's shopping centre. That is chief executive who retired last October, quickly won the confidence of the local huilding industry.

Key role

They found extremely valuable the authority for In North Wales the authority was pivotal in overcoming prohlems of a morass of small land titles which were holding up the overdue redevelopment of Rhyl's shopping centre. That is shops, an internal mall and extensions for Marks and Spencer, Woolworth and Boots has revitalised Rhyl's role as the prime shopping centre along the North Wales coast.

The authority has a com-parable shopping schema afoot at Abergavenny in partnership with Southern & City Property, though the development plans are heing amended to meet local objections.

It is also looking at one or

two redevelopment schemes in Llanduduo in conjunction with Mostyn Estates, and a project for improving Pontypridd's town centre. Other projects are at an early stage of discussion. The authority also has a con-sultancy role. Recent involve-ments include advising Neath Borough Council on its town centre redevelopment scheme, the contract for which has just been owarded to Pearce

(Wales).
In the industrial sector the The anthority has been playing a key role in assembling authority has just discosed of land for redevelopment of cardiff's West Bute area. Nego-

at Bodelwyddan, Clwyd. This was a former RAF camp which now supports 1,000 jobs. It was sold in lots varying from half an acre to 28 acres, part to tenants and part to the Welsh

Development Agency.
Within the past year, it has also completed the refurbishment of a major wartime estate in the Bridgend area to make it more attractive to modern industry.

The authority is keeping a watch for opportunities presented by road improvements and is ready to tackle sites which present development problems for the private sector. In North Wales, it has sold a key site close to the Wrexhau by-pass to Woolworth's B and O subsidiary, another to Comet Electric at the Kinmel Bay district centre. It also plans to market two motorway service station sites on the A55 expressservice way being constructed between the English border and

Anglesey.

Mr Ryan believes the authority should be doing more. The extent to which the authority can be involved in the land market is, however, limited by a requirement to balance its books each year-even though it is bnying land today usually to sell in two or three years.

enhance incentives. Since then they have grown dramatically," he says. IF YOUR BUSINESS IS

to a very slow start until their Government agreed to

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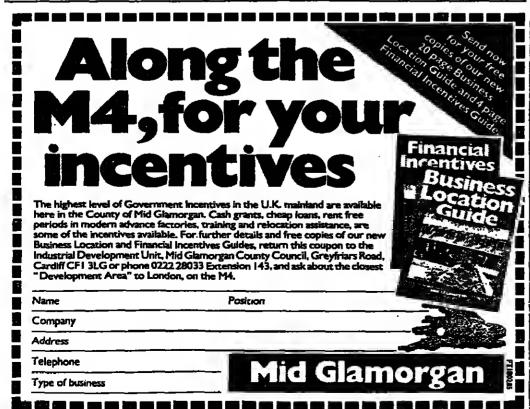
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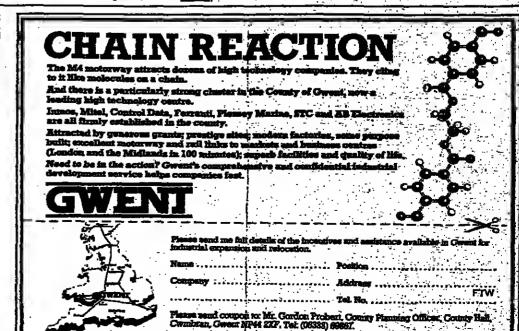
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### PROPERTY IN WALES 3

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ISINESS IS

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EAN TO YOU

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### Search for private finance

A SERIES of new appointments to the Wales Tourist Board highhight new expertise being ment of new attractions. The attraction of the city's south Dock into a £200m maritimo quarter, with yachting, tourist and a housing complex.

A SERIES of new appointments and there have been some motable successes in development of new attractions. The successes in development of new attr

creational facilities and a housing complex.

Mr Norman Poole, projects director, until recently worked for the English Tourist Board, attracting institutional investment into deisure projects.

Meanwhile, an architect from private practice has joined the board, which is also under new leadership, with chakman and chief executive being appointed in the last year.

chief executive being appointed in the last year.

The WTB, like its English and Scottish counterparts, has long sought to encourage greater investment in the bricks and moriar of the tourist industry, both through grant eld under Section Four of the 1969 Development of Tourism Act Development of Tourism Act and through promotion of

The success of the Swansea The success of the Swansea maritime quarter development, which has attracted effention from all over Europe is attributed to the tight planning briefs which the city ounnell planning department drew up. These provided private investors with a guarantee that their property would not be devalued by unneighbourly developments next door.

#### Decisions

The WTB is aiming to play a more entrepreneurial role and streamline its procedures, Grants of up to £5,000 on 25 per cent of improvement costs receive a decision within a week to 10 days — and are more or

feasability studies on projects to 10 days — and are more or less autometic.

The grant aid has brought a great improvement in Wales's a second tier grants scheme for stock of tourist accommodation

ment lies between £5,000 and throughout the UK. The City £100,000, to be known as Small financial institutions are Establishments Enterprise Development (SEED). It will be buying into commercial prodirected at encouraging develop-ments in six growth sectors: perty.

Even hotels are not regarded tourist attractions, health and tourist attractions, neated and recreation facilities, self-cater-ing, rural tourism projects, intrastructure improvements of benefit to the tourist industry

and serviced accommodation.

centrate on encouraging more ambitious developments. Welsh

in financial investment terms. Mr Norman Poole stresses

part of the property market because, they argue, they have no alternative use. Larger hotel chains like Trust House Forte, will go to the market for finance. but smaller groups prefer to operate management agree-The grants will be more discretionary than those up to £5,000. Nevertheless, the WTB plans to produce decisions in weeks rather than months, as has been the case under what one WTB executive conceded has been the ham-disted previous errangement.

#### Imbalance

It is difficult to get finance houses involved, particularly since there can easily be an imbalance between the investors' return and the amount Equally important, this streamlining is designed to free the WIB's management to conthe operator wants to take out under his management agree

However Mr Poole optimistic that the gap can be bridged, not least because most planning authorities will be encouraged to take a leaf out of Swansea's book and produce projects which are bankable. They will be backed by the right documentation and perts of Wales have access to soft loans, notably from the EEC. When packaged into pro-jects he sees this producing acceptable investment terms for deemed planning consents so a wide variety of schemes.

that the investor/developer can see clearly what they represent He believes more use can be made of the Government's Business Expansion Scheme. Though its use for tourism and that attracting capital invest-ment into tourism is not conleisure projects has been rare, where applied, it has been very successful, he adds.

DRAGON PARK

### A giant for the asking

has been described as the biggest advance factory in western Europe. It was com-missioned from the Welsh Development Agency in the late 1970s to accommodate expansion of Hoover's washing machine factory.

ing machine factory.

The company was intending a major extension of its white goods manufacturing to boost numbers employed by the company at Merthyr from 5,500 to 8,600.

By the time the 427,400 sq. ft. development was completed, however, Hooyer was fighting for the survival of its washing machine business against a tide of chean-

against a tide of cheap imports. Today, the number of employees is down to 2,200. It will fall by a further 500 during an ambitious

ment in robotics and other manufacturing technology. There is no question of its now needing the massive extension. Even if the Sin-clair electric vehicle which Hoover is assembling at Merthyr under contract reaches its sales targets, assembly can be easily accommodated within Hoover's existing accommodation.

#### Challenge

The Dragon Park Development compromises 240,000 sq ft of prime manufacturing: space, 56,410 sq ft of office and research laboratory accommodation, and 27,000 sq ft of amenifies such as conferen and holler house. It cantren and boller house. It is set in 26.5 acres with its own secure boundary fence. gatchouse and ample can

Mr John Organ, of agents Healey & Baker which have been given the challenge of marketing the property, reckons that the cost of the building alone would be at least £6.5m were it to be started from scratch today. The whole development is available for £5.25m freehold

or at £500,000 rent per

annum.
Marketing has involved carefully-targeted approaches to the manufacturing directors of major companies in the U.S., Japan, and on the Continent. Mr Organ reckons that only about four or five industrial investment projects a year are in the market for a property of this size.

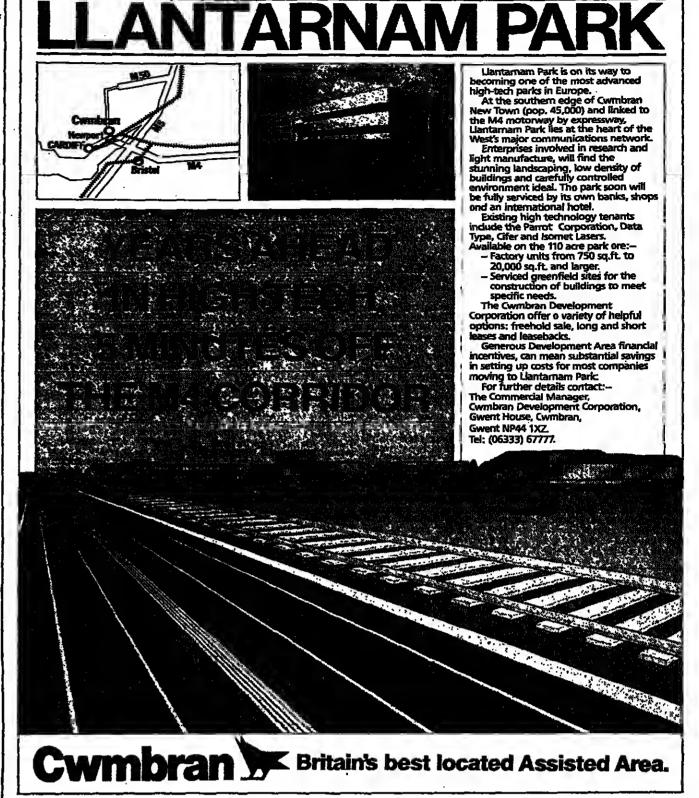
"But we have had some pretty near misses." he

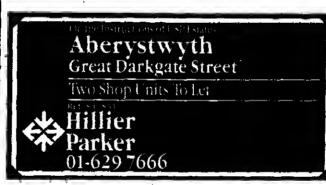
the property as part of its search for a car assembly site before opting for North-east England. Tatung, the Taiwanese consumer electronics group, also considered it for vides recorder manufacture, before opting for the cuter prise zone at Telford.

Other serious inquiries have come from companies in food processing, sports gear manufacture, and a number of mammacture, and a number of engineering fields. Given this diverse interest, Mr Organ says he is confident that an inquiry is going to click within the next two to three

There are few factories of comparable size in Europe ready for immediate occupa-tion, or claim to be as modern. Most available large empty units were built in the early

It is also suitable for fictible manufacturing systems, which require ample office and research accommodation and space for expan-





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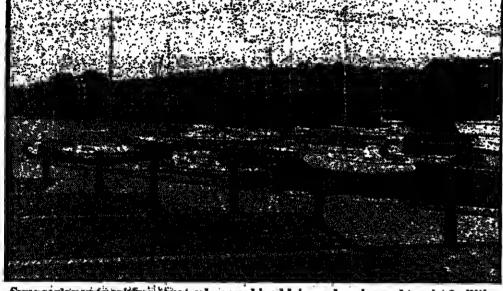
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### Take-up improves steadily

IT IS two years since Chemical Bank, the sixth largest U.S. banking group, transferred the bulk of its UK operations from central Loudon to a 70,000 square feet office block in Cardiff, giving a sharp boost of confidence to the office property market.

There are no firm signs that the bank's example is about to be followed by others. Indeed, it is being suggested that modern information technology, which allowed Chemical Bank to contemplate being so far from the UK financial centre, is in other instances acting as a

disincentive. By reducing the manpower and space requirements of traditional large office-space users, it is encouraging companies which might otherwise be poten-

tial relocaters to stay put. The bank was not the only market activity, however. Other developments, such as a 190,000 square feet building for Wales Gas, new regional headquarters for Livyds Bank, and the take-tup of smaller, older accommo-dation to meet the programme requirements of the Weish fourth television channel promised brighter times given recovery from the recession.

And the Cardiff office market is more buoyant now than for some time. The past year has seen a steady improvement in lettings and significant rental growth, fuelling speculation that new developments could start to come out of the ground before 1985 is out. The spectacular success has

series of self-contained inter-locking units, giving each occupier its own front door,

Three units with a total area of 46,000 sq ft have been signed un, with negotiations on a further three totalling 36,000 sq ft well advanced. Offers have been made for three of the four remaining units. the four remaining units.

Letting agents Fletcher Morgan are confident that, by the time the building is complete in September it will be fully occupied at rentals of £6.25 to £6.75 a sq ft, which will be a record for Cardiff.

Sun Alliance's Windsor Court developments, on the corner of Windsor Place and Queen Street, has also gone well, attracting Barclays Bank regional head office as its first tenant. Meanwhile, an earlier speculative scheme, Sun Life's 51 1000 or 6t development. Long-

speculative scheme, Sun Life's 61,000 sq ft development, Long-cross Court, is now reported to have only 14,000 sq ft out of 65,000 sq ft still unfilled.

But the success of Fitzalan Court in particular demonstrates that there is a good market for modern, high-class accommodation tailored to the space requirements of the regional office. The record rents have been achieved in spite of a stock of more than 500,000 sq ft of vacant office.

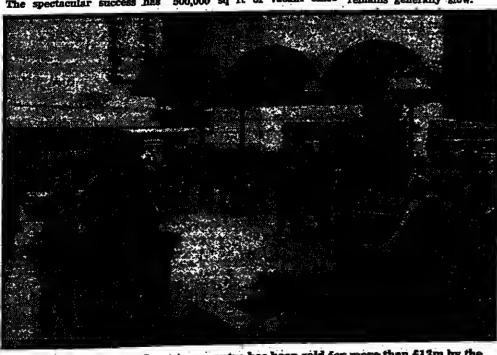
been Fitzian Court, a 106,000 space in the city, according to an an analysis of the position with an eye on the regional head office of self-contained inter-

Demand, measured by all tenants expressing an interest in moving, is outstripping the supply of good accommodation. As further evidence of the underlying strength of the market, Cooke and Arkwright point to the refurbishment of

9,000 sq ft of offices in Westgate Street, alongside the Arms Park rugby stadium, to be known as Westgate House. A private developer has also acquired the former John Hall Tools headquarters in Churchill Way, and reconstruction to provide a further 6,000 sq ft of modern space is under way.

The W. A. Blackburn site on Dumfries Place is the most likely new speculative develop-ment. Former owner Redlake Securities planned a 50,000 sq ft block, but the scheme is reported to have been re-designed into smaller units and to have 20,000 sq ft reserved for an occupier. Elsewhere the JT group has

taken an option on the Kings-way site, overlooking Cardiff Castle, previously owned by Espley-Tyas, while Trafalgar House is reported to have sold its site with consent for 60,000 sq ft of space in Newport Boad. Outside Cardiff, the market



The freehold of Cwmbran town centre has been sold for more than £13m by the development corporation to City and County Land

that this year's prime invest-ment might be next year's

Overseas property investment and development was another major feature of the conference. Keith Douglas-Mann, senior

partner of agents Jones Lang Wootton, gave the U.S. an A-plus on almost all investment

He quoted the vast market, stable political system, trust-

worthy accountancy and law, and tenant covenants second to

none among other advantages.

force British investors involved

forms of financing for the U.S.

property development, as op-posed to investment, was very

difficult to achieve successfully; and that very few developers—

from any country—had operated with consistent success abroad.

He gave Hammerson pride of place, followed by Laing Properties, the Grosvenor Estate and London & Leeds (of the

For the developers. Ray Moorman, finance director of Capital and Counties, said that overseas

syndication to seek new

But he warned that U.S. tax

criteria

### A platform for property shares once they have passed the honeymoon period — often just after the first rent review — is especially topical at the moment, as funds are realising

manager as a passive receptacle for "prime" property developments has changed radically in the 1980s. Matthew Oakshott, investment manager of the Courtaulds Pension Fund, reinforced this impression at the Grand Hotel, Easthourne, this

The platform was the 1985 property conference. "Trends in Property Investment, sponsored jointly by the National Association of Pension Funds and the British Property Federation, which brought a let of the managers and the lot of the managers, and the developers together.

He served notice on the developers that the modern breed of investment manager is nobody's sitting duck; that, according to his conclusion. investment in property currently defined as prime is "dangerous;" and that high returns with lower risks will result from a careful choice of investments currently dis-missed as "secondary," or missed as

#### Longer periods

"Over the past four years," he said, "the capital values of most institutional property portfolios have shown very little net change. Over that same period. UK equity values have more than doubled, while the sterinig value of a typical pension fund portfolio of foreign equities has trebled. Gilts have risen by about half."

"And over longer periods," said he, warming to his task, "the comparative returns from direct property now show up very badly, too." Pension fund managers and trustees, he said. will no longer be prepared just to "buy the best and hope for the best."

In contrast, sald Mr Oakeshott, property sbares have been protected by a very powerneen protected by a very powerful flow of reversions, and a far stronger financial position in the mid-1970s, "with the result that profits and dividends of property companies have grown much faster in recent years than rack rental values in the direct property market, or in fact than equity dividends

He noted that the tax penalties for a gross fund of holding property indirectly through property property shares are now being greatly reduced by the progressive cut in corporation tax to 35 per cent, which will leave an effective tax penalty of only 7 per cent of total income if a property company distributes income fully, with the pension funds receiving a tax credit on the net dividends.

"That, on their record and prospects, looks a very small price to pay for the flexibility of a quoted property company," he said, "with the ability to gear up with long-term horrowings, to issue new shares for acquisitions of private property companies at a discount from rendors with tax prolems and to buy shares in again and improve net assets per share

"The average institutional and manager," be admitted. fund manager," be admitted. "thinks that the property sector is boring that many of the leading personalities are over the bill, and that the main companies are about as distinctive as peas in a pod.

#### Ageing stock

"But the potential is there," he maintained, "both for pre-dators to come in and break leepy companies up-and for steepy companies up—and 10r
existing companies to improve
their ratings by specialisatioo,
offering a more clearly differentiated product which could appeal both to private share-holders and insututions who recognise that they do not have the requisite skills for good performance in particular areas of the property market."

The spirit of criticism survived into yesterday's con-ference session as Tony Gaitskell, managing director of Hill samuel Property Management, attacked the chartered surveying profession for still failing to make positive predictions of future rental growth, and to relate those to the current level

of investment yields. He also said that he felt that the property industry, generally, had not grasped the significance of both seeing and redundancy in buildings, both having had a major impact on potential returns.

The economics of buildings newcomers) in the top echelon.

### West End sale

ties has let its 16,500 sq ft redevelopment at 41 Berkeley Square in London's West End through Verschoyle Fleming to Citibank N.A. Rent is given at £400,000 per amum on a geared basis, with a starting level thought to be around

Verschoyle Fleming is now handling the sale of the building as an investment, and the market is looking for a price of £61m to £7m.

• French Kier Property Investments has signed up Debenhams as the anchor for The Royals, its £37m shopping centre in Southend on Sea. Essex. The 276,000 sq ft centre le doe to open for tradreforms would bave an impor-tant impact on property. Changes in depreciation period would lower write-offs for tax purposes in the early years, while tax shelter changes might ing in the antumn of 1987.

Joint agents are Hillier

Parker May & Rowden and Watson Temple Talbot &

The centre is bigger than any shopping development opened in 1984, according to Hillier Parker, whose 1984 supplement on British shopping developments show that 26 new developments were opened in the UK last year with a total of 3m sq ft of floorspace. The largest of these was of 250,000 sq ft.

• Capital & Counties bas let the whole of Fareham Park-way, its 21,000 campus style office development at Wickham Road. Fareham, Hampshire, to IBM UK at an initial

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L. S. Vall introduced the site to C & C and were sole letting agents

A Jones Lang Wootton's Asian Property review says that the Hong Kong property market is back to stability after the most important year in its history.

 Richard Ellis's Belgian office has sold Westland Utrecht Bank's mixed use development, situated 35 km from Brussels and 7 km from Antwerp, to Bernheim-Outremer-invest and the Pension Fund of Cie Bruxelles-Lambert. The price was in the region of BFr 260m for an initial yield of around 10 per

tent.

Healey and Baker, acting for Codic, say that the latter has sold its 1,100 sq m shopping development in downtown Brussels, 66/68 Rae du Pont Neuf, to a Belgian Pension Fund for some BFr 90m, giving an initial return of 8 ner cent.

### **Telling contrasts** in M25 report

OVERSUPPLY of offices in London's outer submrbs, and the threat of emerging supply constraints in smaller centres set in the Surrey and Kent countryside, are the most telling contrasts produced by a new M25 study from Knight, Frank and Rutler

Headed "Office Developments in the M25 Corridor South," the study follows a first instalment on the northern arc of London's orbital motorway last July. It notes that development activity is at a high level. Build-

ings recently completed, under construction, with planning consent or simply proposed, would make a total addition of 12.6m sq ft gross to an existing stock calculated at 26.7m sq ft in

Of that 12.6m, four major uhurban centres Kingston, suburban centres Kingston, Sutton, Croydon and Bromley, all with varying degrees of oversupply already—are in for another 61m sq ft between them. Fer Dijkstra, head of KFR Research, was not exactly enthused over this when he

wrote his report.

He says that completions in
London's outer suburbs, which
make up the inner ring of the
M25 coridor, equalled three
times the demand for new space last year. Yet in terms of motorway access, congestion and car parking they tend to be inferior to their outer ring

space under construction which equals three times last year's demand. However, says Mr Dijkstra, "the low levels of vacant space in completed devel-opments and the high rate of pre-lets among space under construction. indicate: that underlying demand is strong." Will developers be able to satisfy future demand as and

where it occurs? He has his doubts, and sees particular sig-nificance in the fact that the level of outstanding planning consents to the outer ring is only is only just over times times last year's demand. Nevertheless, high demand

and serious planning con-straints particularly in Surrey, boost the prospect of rental growth and will encourage

"There is in fact no blanket contraint on development," he points out . "Formal policies specify sites and conditions which allow some development to take place. In addition, plan-ning control exercised by three levels of government leads to inconsistencies."— in other words more developers will be

taking planning refusals through the appeal process.

There is, however, the real prospect of reduced levels of ferior to their outer ring development as saturation unterparts.

The outer ring also has a places," be concludes.

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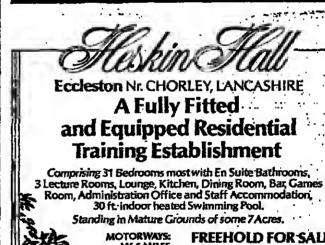
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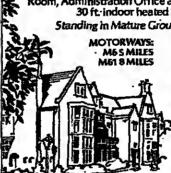
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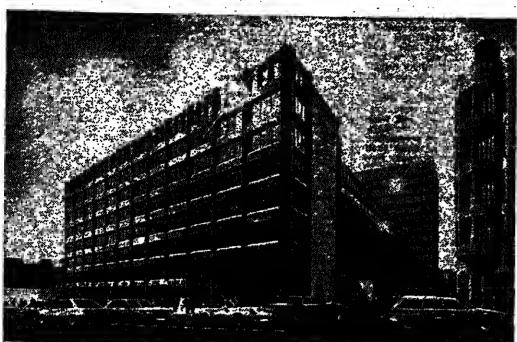
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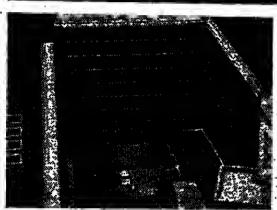
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### Plessey's profits decline in third quarter

Ptessey, the telecommunica-tions and electronic group, reported lower taxable profits of £40.57m, against £43.67m, for its third quarter trading period. Analysts have heen braciog themselves for the Plessey results which were expected to he the third liem of bad news from the electricals sector in a month. In the last six months the sector has underperformed the FT-all share index by over 27 per cent.

The main reason for Plessey's decline was a drop in profits in the telecommunications business including nine-month losses of £4.25m from System X, the public exchanges being bought by British Telecom.

Plessey's results for the 13 weeks to December 26 1984 left

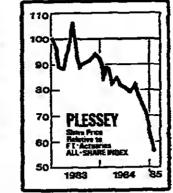
for the last year and little pros-pect of growth in 1985.

Plessey's total turnover for the 13 weeks and nine months 13 weeks and nine months 10 talled £352.21m (£302.87m) and 16 for the points out that there are interim 17 talled £352.21m (£302.87m) and cannot export System K without 17 talled £352.21m (£302.87m) and talled £352.21m (£30 £971.44m (£8974m) respectively, Although Plessey's telecommunications sales were up by S.S per cent to £445.2m for the nine months, nearly 46 per cent of the total, operating profits fell 10.4 per cent to £46.86m.

The heavy spending on System X and other digital systems coupled with the £20m investment in Electronica and seasonally higher tax and dividend

OPERATING PROFIT AND ORDER BOOK BY PRODUCT 1984 1983 (£m) 606.55 Electronic systems and 27.95 816.29 27.64 115.51 11.12 Aerospace and lengineer Microelectronics and 77.43 6.13 Group services 1,586.41 1,442.41

† Loss. \* To December 28. ‡ Less inter-company content.



its nine months total lower at f121.24m compared with f124.6m.

The figures follow poor results from a number of other companies in the UK electronics sector. Last manth Racal, the defeoce electronics group, surprised the market when it forecast much lower profits for the year.

And two weeks aco Slandard Telephones and Cables saw its share price plummett after announcing an unexpected rights issue combined with weak results for the last year and little prospect of growth in 1985.

Plessey's total turniver for the 133 weeks and with first nine months. The first nine months in the first nine months. The first nine months in the first nine months in the first nine months. The first nine months in the first nine months in the first nine months. The first nine months in the first nine months in the first nine months. The first nine months in the first nine months in the first nine months. The first nine months in the first nine months in the first nine months. The first nine months in the first nine months in the first nine months. The first nine months in the first nine months in the first nine months in the first nine months. The first nine months in the first nine months in the first nine months. The first nine months in the first nine months in the first nine months. The first nine months in the first nine months in the first nine months. The first nine months in the first nine months are observed an increase in working capital of some £50m, but the first nine months. The first nine months in the first nine months. The first nine months in the first nine months. The first nine months are director, says the cash drain could continue for another "two or three quarters."

Plessey is still looking for possibility of a cash call on share bolders. "There is no doubt at the present time it is constituted in the first nine months. The first nine months are called in the first nine months. The first nine months are called in the first nine months. The first nine months are called in the first nine months are called in t

Earnings per share for the first nine months were 9.55p (10.62p) after tax of £51.09m ficant development expenditure."

The heavy spending on System

Over the 39 weeks, group sales to customers in the UK continued to grow strongly, up 17.4 per cent to £634.7m, but direct exports at £88.7m were lower by 13.8 per cent, reflecting the con-(£44.62m).

In electronic systems, the main systems businesses performed well, with radar recovering. Although the electrical sector strongly in the third quarter. His out of stock market favour, tinued weakness of e number of overseas markets.

Although the electrical sector

**Bestobell** he says: "I think it is very important to draw the distinction between Plessey and other members of the same sector."

Plessey has hardly any connecting areas like home computers, consumer goods or "any profits

"The infinences that have affected sentiment in the sector are hardly present in Plessey."

ters, consumer goods or "any form of fashionable technology

be says. Plesser's shares gained 18p to 192p by the close last night. This compares with a 1984/85 high of 245p and e low of 160p.

The company is pressing ahead with its plans to capture a larger share of the U.S. teleromorphistics.

munications market, spending \$23m (\$21m) on private venture development in the current financial year and planning to spend another \$27m next year. Also, it is upgrading its Strom-

Also, it is ingraning its screening gear and is adapting UK products for the U.S. market. Stromberg is still losing money and Plessey is not expecting it to make a profit until the year after next. after next.
Commenting on whether Ples-

Commenting on whether Plessey is hig enough to survive on its nwn in the world's telecommunications market or whether it will merge with another group Mr Chorley says: "That is obviously a possibility but it is very difficult to predict."

He adds that: "There are all kinds of possibilities over the next few years. We may see the disappearance of some of the players in the field. I think it is perhaps more likely that we will perhaps more likely that we will see more collaborative deals."

See Lex

### DPCE calls for £7m as profits rise 37%

ment of a 37 per cent rise in half-year pre-tax profits DPCE Holdings also unveiled plans to raise £6.9m net via a one-for-six issue to strengthen its

The new shares are being offered at 365p each to share holders registered on February 14. They will not rank for the 0.5p 10.7p) net interim dividend declared for the opening six months but will rank for the final which is expected to be raised from 1.8p to 2.2p.

Turnover for the half year, th December 31 1964 pushed ahead to 13.4m to 15.57m—the pated to give confidence that

from £3.4m to £5.57m—the group, which obtained a full listing in July 1983, is engaged in computer maintenance.

AL RESIDENCE PROPERTY.

ALONG WITH the announce- tually unchanged at £75,000. The rights issue is being more than enough to fund (£74,000). Tax took £165,000 more at £433.000 to leave the available comment balance at £690.00, compared

with £550,000.

pated to give confidence that further progress is likely in the second six months.

The directors are confident

Presiax profits advanced from that the North American market 5518.000 to £1.12m after taking offers substantial opportunities in net interest receivable virtor for growth.

underwritten Brothers & Co.

rapid but soundly based growth is impressive—computer main-lenance is a market in which smaller groups like DPCE are gaining ground as computer tax charge. But DPCE argues their servicing done largely by manufacturers. At first sight, it is not entirely clear that DPCE needs £6.9m from its share-holders—the £1.8m in the balance sheet would seem to be

growth at the current rapid rate. However, it seems that DPCE has hig plans for its DPCE shares have been left in the U.S., including possible untonched by the tremors which bave recently hit so many other computer stocks. Yesterday, they rose 20p to a new high of holders in hacking potentially described and the analyses of the computer stocks. DPCE sbares have been left untonched by the tremurs which bave recently hit so many other computer stocks. Yesterday, they rose 20p to a new high of 465p, despite the announcement of a quite deeply-discounted rights issue. The evidence of rapid but soundly based growth is impressive computer maintenance of a multiple of about 35.

### **New outlets** raise Tate's expectations

man of Tate & Lyle, told share-holders at the annual meeting holders at the annual meeting yesterday that pressure was currently being encountered on profit margins in sugar refining, but there were several indications of improvement since the 1964 year-end.

Addressing a 700-strong London gathering, he said: "We believe the results for 1985 will be very satisfactory, with strong contributions from our new

Tate & Lyle has been pursuing a vigorous acquisition policy, particularly in North America where it bas made three purchases in the past three months. This strategy would be maintained, because our existing businesses will not provide the long-term improvement capital growth we wish."

He admitted disappointment to win Brooke Bond, taken over by Unilever late last year in a 1355m bid which topped Tate's 1324m. "But we did not believe that we should become involved in an auction with Unitever."

He added: "Any new commit-ments are likely to be rather smaller than Brooke Bond, which represented a fairly unique opportunity. "We are always interested in investing in the sugar industry, but such opportunities are limited, so we have a second string to noo-sugar businesses."

Modest growth could be expected in world demand for sugar itself, he said. Its effects on bealth were "much maligned and much exaggerated."

The observation came answering a question from the ranks of Tate's army of small shareholders, many of whom are drawn to its meetings each year by the hamper of its goods which await them—this year a canister of Ridgeways tea and two boxes of surgray lumps. of sugar lumps.

The offerings did not ensure complete docility, bowever, Standard resolutions approving share option schemes were opposed by a sprinking of hands, and one argument was submitted that a scrip issue was now overdue—Sir Robert pledged only that this would continue to merit a "regular look."

#### Pleasurama wins over Trident TV

Pleasurama, the casino and leisure group, yesterday won control over Trident Television, operator of four London casinos, after its agreed bid had given it command of 77.7 per cent of the listed non-voting shares and 85.2 per cent of the closely held ordinary shares.

The bid was Pleasurama's second ettempt to acquire Trident. The first was blocked by the Monopolies Commission because of Grand Metropolitan's 29.9 per cent in Pleasurama. When that stake was sold last year, Pleasurama was given the green light to relannch its bid. On Wednesday, the Office of Fair Trading formally confirmed that it would not refer the new offer to the Commission.

Completion of the deal is conditional on approval by Pleasurama shareholders at a meeting today.

Company in full settlement.
1983 retemption installment.
THE CHASE MANEATTAN BANK N.A.
Principal Prysic Agest

LADBROKE INDEX Based on FT Index 982-986 (+5) Tcl: 01-427 4411

### Australian delay to hit

By Martin Dickson

Bestobell, the specialist en-gineering company, yesterday warned the City that trouble with its operations in Southern Africa and Australia would have a "severe adverse effect" on its results for 1984, due to be unveiled on March 20.

Mr John Dowling, Besto-bell's new chief executive, said the statement had been made because brokers' made because hrokers' analysis had been forecasting pre-tax profits of more than £7m, while the company now knew it was "not going to get near that."

Bestobell shares fell sharply fellowing the announcement, and closed at 275p, down 12p on the day. The company said the trouble was due to generally poor trading conditions in Southern Africa and Austra-iia, and in specific difficulties

at an Australian power station—Loy Yang in Vic-toria—where Bestobell has a thermal insulation contract. Bestohell's 78 per cent owned Australian subsidiary took on a A\$15m (£16m) contract at the station in

contract at the station in 1981. The project was originally due for completion this year but has been repeatedly delayed and will not now be finished until 1987. Bestubell said the latest delays were outside the control of its subsidiary, which was a sub-contractor, but it was clear the company would clear the company would have to provide a "further substantial sum " against com-pletion of the work on this

In 1983 Bestobell's pre-tax profits were siashed by an exceptional £2.62m above the line provision for losses at Loy Yang and another Australian power station, Tarong, in Queensland. The provision for 1984 will again be treated

as an exceptional item.

Mr Dowling, former chairman of the garage groupHenlys, only took over as
chief executive un January 2, replacing Mr Donald Spencer who quit the company follow-ing boardroom concern over its financial performance.

Mr Dowling flew out to Australia almost immedi-ately and persuaded Mr Ben Cant, the subsidiary's new chairman, to assume executive responsibility, and "continue the effort to minin Secure same recovery.

Mr Cant is a British bustof Courtaulds and man Enbery Owen.

Bestobell reported pre-tax profits of \$4.11m in the first half of 1984 on turnover of £71m Mr Dowling said yesterday

that the company was holding its own in Britain and on the Continent but that was not enough to make a dent in its problems in the Southern

Bestobell was the subject of an unsuccessful takeover the industrial holding com-pany, which still retains its 24 per cent stake,

### **County Bank client** proposes changes for London Trust

BY ALEXANDER NICOLL

London Trust, an investment trust with net assets of around \$107m\$ which bas been recovering from a period of poor performance, announced yesterday that it was discussing proposals which could lead to changes in management and investment policy.

The approach, which follows discussions with several restive shareholding institutions, is from an overseas client of County. Bank, the merchant bank while has been involved in a number of investment trust reorganisa.

of investment trust reorganisa-

tions.
It is understood that the managing director, was installed proposals involve converting the in 1982 to revive its fortenes trust into a vehicle for investing after the trust had performed in venture and mezzanine capital poorly, with a substantial companies in the U.S.

A U.S. West Coast-based minority unlisted investments. It investment bank specialising in has previously made its name as

in venture and mezzanine capital companies in the U.S. A U.S. West Coast-based investment bank specialising in venture capital is believed to be involved in the proposed deal although not as directly as the County Bank client referred to in London Trust' announcement. Because of the radical changes involved in the suggested deal on which discussions are still at a preliminary stage, shareholders would be offered the chance to realise their shares at about the current market price. The trust's realise their shares at about the current market price. The trust's shares, which have been rising recently in anticipation of news, closed yesterday unchanged at 105p, at about a 10 per cent discount to the last disclosed net asset value.

shown on Channel 4 in January and has been sold to over 30 other countries, but has yet to find a sale in the U.S. London Trust lost at least 23m on the Management, formerly handled by Rivermoor, was taken in house last year with Mr Berens remaining the manager, and the company has been hooking since then for alternatives.

A revenue of London Trust would be the biggest yet in a series of shake-ups which have sweet through the investment trust sector as institutional share-holders have been more demanding of trust restaurants.

holders have been more demand-ing of trust managements.
London Trust's major share-holders, including Britannia Arrow, Gabrillan Royal Exchange, Prudential and Save and Prosper with over 40 per cent between them, have been discussing plans to change the company's structure for some time.

an entrepreneurial investor. Its most spectacular failure has been an EBm investment in the

51-hour film Wagner, starring the late Richard Burton. The film was

Competition and exchange rises depress Muirhead

COMPETITIVE pressures and currency appreciation, notably of the U.S. dollar and the yen, have seriously affected profitability at Mairhead.

In the year to September 30 1884, the taxable return slipped from £1.55m to £1.21m, and the final dividend is cut by 0.25p to 2.75p net per share. The total for the year is unchanged, after a 2.25p (2p) interim. Stated a 2.25p (2p) interim. Stated earnings per share fell from 13.8p to 9p,

Group sales moved ahead from £31,15m to £34,54m for this manufacturer of electromechanical devices and com-munications equipment, which is the only maker of facsimile transmission products in the

At the halfway stage, the directors reported turnover slightly lower at £15.91m (£16.25m) but there was a

data communications and pro. looked approachable. The cess control areas. These comproblem is virtually all down to manded better margins than the products they replaced, with improved efficiency, but in some cases bad lower selling prices. However, the group's order intake then was satisfactory and the directors. the directors were encouraged by the level of inquiries in most

Trading profit for the full year came to £2.2m, down from £2.49m, and was reduced by higher net interest charges of £997,000 against £947,000.

Through no fault of its own. Muirhead's progress has been inauspiciously reversed—just at the time when a good set of first moment.



to £749,000.

They said then that new pro that results held the promise ducts had been introduced into that a recovery to 1978's £2.1m imports of high-tech components from the U.S. and fax machines from Japan. It is difficult to be precise but perhaps a quarter of group turnover has been affected by exchange rate movements. Four months on the conversion rate of sterling is even worse, so the prospects do not augur well for this year in spite of con-certed efforts to resource com-ponents. The cutting of the final dividend for a maintained total is e clear reflection of this cautionary mood, making the historical multiple of 21 at 186p

look unseemly high for

This announcement appears as a matter of record only

### **Textech NV**

Announces the formation through its UK subsidiary Textech Decorations Ltd

**Textech Pedley Ltd** 

Cullen's Holdings plc

Authorised £1,200,000

Ordinary shares of 10p each

£1,060,000

Application has been made to the Council of The Stock Exchange for the Ordinary Shares of the Company to be admitted to the Official List, Listing particulars in respect of the Company are available in the statistical services of Extel Statistical Services Limited. Coples may be obtained from the Company Announcements Office, The Stock Exchange, Throgmorton Street, London EC2P 2BT, for two days from the date of this notice and, during normal business hours on any weekday (Saturdays excepted), for 14 days from the date of this notice from:

Cuilen's Holdings plc Parsonage House Station Road Surrey RH4 1EA

J. Henry Schroder Wagg & Co. Limited EC2V 6DS

W. Greenwell & Co. Bow Bells House Bread Street London EC4M 9EL

22nd February, 1985

PLESSEY

1984-1985 third quarter results An extract from The Plessey Company's unaudited consolidated results.

Plessey semi-custom integrated circuits. Silicon chip technology is playing an increasingly significant role in Plessey

quarter

results

	•	•	
	13 weeks ended 28 Dec. 1984 £m	39 weeks ended 28 Dec. 1984 £m	39 weeks ended 30 Dec. 1983 £m
Sales	352.2	971.4	892.4
Operating profit	35.3	103.5	103.2
Profit before taxatio	n 40.6	121.2	124.6
Earnings per share	2.95p	9.58p	10.62p

The Plessey Company plc Vicarage Lane, Ilford Essex IG1 4AQ.

■ Order book £1.59 billion

**■** Nine months

pre-tax profit £121.2 million

**■** Nine months sales £971.4 million

PLESSEY and the Plassey symbol are Registered Trade Marks of The Plessey Company pla

on and excha

ss Muirhead

### Major oil find and £1.5m profits for Saxon

OIL yesterday that it has participated in a North Sea off discovery which flowed at an aggregate rate of 10,500 barrels a day from three tests.

barrels a day from three tests.

At the same time the company, which is quoted on the USM, revealed that it had made net profits of £1.5m for the six months to December 13, against £391,000 for the comparable period.

The increased profits reflect the company's acquisition of a stake in the highly productive Forties officied at the beginning of last year. But Saxon's shares yesterday leaped 28p to 473p because of the news of a major oil discovery on its block 16/8b.

The field is operated with

The field is operated with a 50 per cent interests by Conoco, which has named it the Miller field. Saxon has a 30 per cent stake in the discovery, with the Kuwaki owned Santa Fe holding the

Saxon said yesterday that its share of the field's re-serves are "at least 45m barrels of ell and 50-60bn cu ft of saleable gas." This suggests that there are at least 150 barrels in 16/8b, more than had previously been estimated. But the latest well by Conoco is further North than the previous oil discoveries on the

Dominic Lawson reports on a substantial oil

discovery in the North Sea, and (below) looks at the company which has a 30 per cent stake in it.

block, and proves that the field covers a wider area. British Petroleum has had a string of discoveries on its block 16/7b, immediately to the west of 16/8b, and Shell is believed to have dis-covered oil to the east of the Conoco block. BP last year

surprised the oil industry by saying that the area could contain over 300m barrels of recoverable oil, and the latest well by Conocs appears to reinforce that eptimism.

Saxen said yesterday that unitisation talks between the operators involved are in progress.

operators involves are in pro-gress. These talks will dotermine which company gains the coveted right to take control of the development of

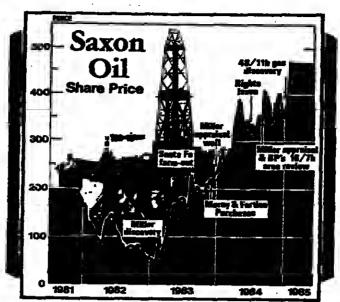
As BP has a 100 per cent stake in its block, it has the greatest share of reserves, and therefore is front runner in the race to operate. However, Conoco is very keen to remain the operator, and so traught negotiations are in In its statement, Sexon said

that preliminary development engineering studies are under-way, and approval for field development "will be sought as soon as possible from the Department of Energy."
Thirty details of the well Giving details of the well. 16/8b6 yesterday, Saxon said that it produced 6,129 barrels. a day of oll and 10.25m cu ft a day of gas from the "Miller Sands." In addition two higher sands produced 3,000 b/d and 1,388 b/d of oil each,

b/d and 1,288 b/d of oil each, during short tests.

SEXON'S drilling programme is likely to be even more active in 1985 than last year, the company said. It added that 11-12 offshore wells may be drilled, of which ever half are likely to appraise discoveries already made. In particular, Saxon has high hopes for its 7 per cent stake in block 48/11b, whhere last in block 48/11b, whhere last in block 48/11b, whhere last year a gas discovery of 48.5m on ft a day was made. Saxon says in its interim report that its oil and gas sales revenues are "significantly higher" than expected. This is attributed to the strength of the dollar, and production of about 1,000 b/d from Forties, some 9.5 per cent higher than anticipated a year ago at the time of

a year ago at the time of acquisition. However, the strong dollar also rebounded against Saxon, which reported a charge of £700,000 for exchange losses on its dollar loan made to acquire the Forties unit. Cash generated from opera-



ns was £3.5m, nearly sufficient to cover exploration expenditure of £3.8m.

6.69 compared with 2.44p in the comparable period, and 7.33p for the whole of last

### The connection between apple trees and a £1bn oil company

Wight Collins steps out

Wight Collins Rutherford and Biss Lancaster is to go ahead Scott, the advertising agency with plans for a move to new which last September graduated offices, from the USM to a full listing, is Deferred paymonts to the Biss

on diversification trail

TWO YEARS ago the share price of Saxon Oil stood at 7p as discussioned investors contemplated shelling out 50p a share to make the unloved stock fully paid. The same company has this week same company has this week joined the bandful of UK oil the unloved stock fully paid. The same company has this week joined the bandful of UK oil companies with a market capitallsaton of over £100m, as news came in that It had shared in a North Sea oil well on block 16/8b which flowed at 10,000 barrels of oil per day from three

"We will be a very big company indeed in 10 years' time," says Saxon's chief executive, 53says Saxon's chief executive, 53-year-old Mr John Heaney. Saxon announced yesterday that its 30 per cent share in the reserves of the 16/8b field is at least 45m barrels of oil. "At £20 a barrel, that's about £1hn of Saxon revenue in sight," says Mr Heaney. "People get mesmer-ised by the noughts."

If Lasmo was the 1970s North Sea growth stock—based on its share in the Ninlan field—Saxon

may be on its way to a similar position in the 1980s.

When John Heaney came back from Nigeria in 1979 be told his employers at Sbell that he didn't want to take the next assignment. The fruit farm his father started was foundering, and Mr Heaney decided to rescue the farm, and

leave the oil business.

"I had been back on the farm for barely a month, when Colin Phipps of Clyde Petroleum rang me up and asked me to start; a new oil company," recalls Mr.

Heaney. Dr Phipps' idea was to form a company which would be the epitome of high risk exploration. It would have just a few very large stakes in areas where a very big discovery. Dr Phipps' Clyde Petroleum took 10 per cent of the new venture, with an option to acquire a further 10 per cent. 10 per cent. Together with city lustitutions, a total of £15m was stumped up, the largest amount every raised in the City for a

recalls Mr Heaney. His job was to use his formid-

Saxon and Conoco succeeded in the seventh round in a £5m offer for the block 16/8b, along with some very wild and woolly ocreage in the most Northerly and unexplored area of the North Sea. To the astonishment of the oll industry Conoco shared 16/8b 50/50 with tiny Saxon, after Mr Hesney persuaded the U.S. glant that a 50 per cent UK component would sway the Department of Energy in the group's favour.

But City enthusiasm for the venture quickly soured as the long-shot nature of the company became more and more apparent. Jill Hawkins of brokers Hoare Govett recalls the City's mood as Conoco began to sink the first well on the cherished block 16/8b in February 1983. "Everybody thought this company was hideous, dreadful. No one wanted 50 per cent exposure to a £9m well."

At that moment Colin Phipps few in from America, saw the shares at 7p in the market, and pounced with a bid valuing Saxon at about film. Saxon had no choice but to recommend the bid "on the information known to us at this time." But Mr. Heaney was being cuming. He believed, as perhaps Clyde did not, that Conoco could get down to the target zone of the well before the six week offer period was up. If the well was dry, then the bid would certainly be above the market price of the company. But if the well was a discovery, then the shares would soar over the Clyde offer price, and with one bound Saxon would

be free. greenfields oil company.

But why did the inventive Dr
Phipps choose Mr Heaney? John
Heaney had led Shell's North Sea
development team in the pioneering days of the North Sea, from
1972 to 1977. "That was when
we had the grand design, and I
got to know the whole industry."
recalls Mr Heaney.

His was a very deep well, and
to drill 13,000 ft in six weeks is
not easily achievable. Conoco
did It and hit over 4,000 barrels
a day." remembers Mr Heaney.

Now Mr Heaney.

Now Mr Heaney can smile
agonising as Conoco burtled
down to the depths in a raco
against the less hazardous procedure of the City's takeover. cedure of the City's takeover

able list of contacts to get unknown Saron into partnership with a leading foreign North Sea operator. He managed to get Conoco, discoverer of the Hutton and Murchison oil fields. "Conoco has the best drilling team in the North Sea," claims Mr Heaney. "With Conoco we have the golden key to unlock North Sea reserves."

Caron and Conoco succeeded Conoco C

Fe Minerals. It was a very cute deal for Saxon. Santa Fe made available \$4.4m to cover Saxon's pas share of development costs and over-heads. It will bear two-thirds of future costs attributable to Saxon's share, and will recover those costs out of 82.5 per cent of Saxon's production. But when those costs are recovered. Saxon

Six it would be wrong to view Sixon as a one-field company. It has recently perticipated in two North Sea gas discoveries. With the refused this month by the Government to allow British Gas to import \$300n worth of gas from Norway's Sleipner field, Saxon's two gas finds are beginning to look like probable developments.

will receive all its 30 per .cent effective manner. This was inefficient to spend management entitlement to Miller production. partly eased when at the end of time in airplines." Mr Heaney

with plans for a move to new offices.

Deferred paymonts to the Biss

stake in the Forties field for stake in the Forties field for mant, with the future develop ment of Miller in mind. It prising to see Saxon bid for more production, possible via a finance director of Britoil, joined corporate takeover.

"There are two paths to growth, organically and by acquisition" says Mr Heaney, adding, "we shall explore both avenues." Last June Saxon paid £2.7m for the North Sea assets of Bomin, and also took a big position onshore in the UK, via an acquisition of licences from Moray Petroleum.

Saxon's two gas finds are beginning to look like probable developments.

Saxon's problem is that it is short of present production to finance its exploration and development programme in a tax cation a la Lasmo. "It is effective manner. This was inefficient to prove the programment in the property of the provided in the French onshore oil scene, and is bidding for blocks in the fifth Dutch licensing round. But Mr Heaney is dead against major overseas diversification to the provided in the French onshore oil scene, and is bidding for blocks in the fifth Dutch licensing to look like probable developments. This was inefficient to provide a toe-bold in the French onshore oil scene, and is bidding for blocks in the fifth Dutch licensing to look like probable developments. The provided in the French onshore oil scene, and is bidding for blocks in the fifth Dutch licensing to look like probable developments.

mant, with the future develop-ment of Miller in mind. In October Mr Roy Dantzic, exfinance director of Britoil, joined Saxon as a non-executive direc-tor, and Mr Tim Eames, formerly Getty Oil UK's exploration director, became exploration director

of Saxon.
Until 1983 Saxon's office was an ontbuilding of Mr Heaney's farm at Wakes Colne, outside Colchester. Mr Heaney still works there himself, although Saxon now also has an office in Colchester.

Sazon now also has an office in Colchester proper.

When Sazon was formed Mr Heaney envisaged a 50-50 split between farming and oil prospecting. The oil business is once again dominating his life, but John Heaney still starts his day at 7.30 on the farm. The applobusiness isn't doing badly, either.

### Suter terms win approval of Lake & Elliot board

Suter, the engineering, distributin F. H. Lloyd, another foundry

which last. September grainated from the USM to a full listing, is to acquire the Biss Lancaster public relations consultancy for an initial £3.25m. Depending on profits performance, the figure could donble.

WCRS is to fund the first instalment of the agreed deal through a placing by Morgan Grenfell of LIBm new shares, representing as much as 15.4 per cent of its expanded capital.

The terms were well received in the City, with its shares jumping 31p to 306p, against a placing price for the new paper of 2701p.

Mr Peter Scott, its managing to deferred paymonts to the Biss Lancaster partnership will be made in the three years to 1988, conditional on pre-tax profits for the whole of that period totaling more than £1.3m. The extra amounts paid, up to a maximum of £3.25m, will also come in the form of a share issue, although WCRS has reserved the right to pay cash instead.

Biss Lancaster is forecasting taxable earnings of £400,000 in the previous period. Net assets at February 20 were put the profit for the whole of that period totaling more than £1.3m. The extra through a placing by Morgan will also come in the whole of that period totaling more than £1.3m. The extra through a placing by MCRS has reserved the right to pay cash instead.

Biss Lancaster partnership will be made in the three years to 1988, conditional on pre-tax profits for the whole of that period totaling more than £1.3m. The extra through a placing by MCRS has reserved the right to pay cash instead.

Biss Lancaster partnership will be made in the three years to 1988, conditional on pre-tax profits for the whole of that period totaling more than £1.3m. The extra through a placing by MCRS has reserved the right to previous period. Net assets at February 20 were put the provious period to the approval of WCRS share. in a management reorganisation.
Terms of the bid are 80p in cash for each Lake share or 11
Suter shares for every 20 Lake.
At yesterday's closing price for

at £250,000. The deal is subject to the approval of WCRS share-holders.

The founders of Biss Lancaster brought the consultancy into being in 1978 with no prior experience in PR, a fact which was acknowledged yesterday as having "attracted healthy contraversy" within the industry at the state of the sta

Suter, the engineering distribution and packaging group, has won the agreement of Lake & Suter, which has expanded rapidly through acquisitions, including the £15.5m purchase of 28.1 per cent, to a bid valuing Lake at £8m.

The companies had already announced that they were holding talks. Mr David Abell, \$2.18m in 1983 and a loss of the fine talks. Mr David Abell, \$2.18m in 1982, It reaffirmed that it will pay dividends of 3.5p for 1984 against 2.5p for 1983.

#### River & Mercantile

Suter of 135p, up 5p, the store alternative values Lake shares at 74p each. The shares rose 3p to 77p yesterday.

Suter has received irrevocable acceptances totalling 5.7 per makes a net total of 5p (4.4p). cent in addition to the stake it already holds. It recently cent to £2.44m (£2.12m). Gross acquired a 14.9 per cent holding

Date Corre- Total Total

### **DIVIDENDS ANNOUNCED**

	Current	of sp	onding	for	last
	payment	payment	div.	year	year
DPCE Reidingsint		April 9	0.7		2.5
Ewart Newint		Mar 22	Ž		4
			4		*
Muirhead	2.75	April 16	3	5 .	5
Pleaseyint	1.8	May 1	1.56	_	3.8
River & Mercantile		March 22	3	5	4.4
Charles Sharpeint		_	2	_	8.75
Tor Inv Trustint		March 30	3.85		11.55
Updown Invest		April 3	2.9	3.7	2.9
Ward Holdings		April 4	4	6.6	5.19
Dividends shown pence p			where o		e stated.
* Equivalent after					
increased by rights at	DOVOR AC	quisinon .	issues.	# USM	stock
S Timetendad stook		_			

#### 1984 COMPLETES ANOTHER **OUTSTANDING YEAR** FOR INCOME AND GROWTH

The River & Mercantile Investment Trust closed 1984 with total group assets of £75.2 million and healthy increases in earnings and net ssets. An Increase in the Final Dividend of 16.6% from 3.00p to 3.50p is

	31st December 3 1984	lst December 1983	Increase %	
lvidend	5.0p	4.4p	+13.6	•
et Asset Value	152.7p	126.5p	+20.7	•
nare Price	127.0p	106.0p	+19.8	•
				•

THE ONE YEAR RECORD

As well as being consistently one of the highest yielding Investment Trusts. River and Mercantile's total return to shareholders is

1984 Sector Average Net Assets 20.2% 25.1% Share Price FLEXIBLE MANAGEMENT

River & Mercantile continues to maintain a flexible investment policy focussing primarily on the performance of the three major world markets—U.K., U.S.A., and Japan.

1985 POLICY Whilst retaining a significant proportion of the Trust's assets in the U.K. marker, the Fund had by the end of 1984 doubled its exposure to the U.S. equity market to represent almost 30% of trusts assets, thus already taking advantage of the dramatic upswing in that market and the

Dollar's appreciation.
The chairman, Mr A. E. Foucar comments: "We will continue to aim at producing a strong growth in both earnings and assets. Subject to the overriding requirement to preserve the purchasing power of dividends we will be adding to our overseas portfolio which we onticipate will enhance our capital performance."

Please telephone Miss Vivien Gould or write for a copy of The River & Mercantile Annual Report.

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ROTHSCHILD ASSET MANAGEMENT (CI) LIMITED St. Julian's Court, St. Peter Pert, Guernsey - 0481 26741/26331 OLD COURT CURRENCY FUND LIMITED

Japanese Yen O.C. Managed	Ý	3,559.33 9,86442	5.22 % 10.16951
Swiss Franc US Dollar	SwFr	30.3356 15.406	5.99 % 7.25 %
Singapore Dollar	S\$	30.531	5.64 %
Italian Lira	L	26,119	12.61 %
Hong Kong Dollar	HK5	102.009	5.50%
French Franc	FFr	102.705	9.51 %
Belgian Franc (FIN)	BFr	824.20	9.04%
Deutschemark	DM	40.593	4.69%
Danish Krone	DKr	155.071	7.30%
Dutch Guilder	DFL	50.691	5.24 %
Canadian Dollar	~~	15.457 20.579	9.07 % 8.16 %
Scerling Australian Dollar	AS CS	10.314	11.98%

21st February, 1985

### The 1985 Euromoney Merchant Banking Conference March 13-14, 1985 Hyde Park Hotel, London For further information please telephone Heidi Thompson on 01-236 3288 or telex 8814985/6 EURMON G

EUROMONEY



# a diversification programmo to broaden the group's interests in the communications field." Ms Adele Biss, chief executive of Biss Lancaster, said the company had examined the prospect of flotation on the USM instead, "but we chose rather to become part of an established public company, where we will be able to retain the autonomy we want." She will join the WCRS board, BIDS AND DEALS IN BRIEF

Scottish & Nowcastle Breweries is in negotiations to acquire the wholesale wines and spirits interests of Stakls. These currently trade through Peter Thomson of Perth, the Scottish agency products company, and Thomson Haddew, who operate as a general wines and spirits wholesaler from both Perth and Glasgow.

Mr Peter Scott, its managing director, said: "This acquisition represents the first stage of a diversification programmo to

Arbathnot Commercial Services, a subsidiary of Arbuthnot Latham Bank and part of the Dow Scania Holdings Group has extended its activities with the formation of a new company handling industrial and commercial credit finance.

Arbuthnot Business Credit, which commenced trading on January 1, specialises in hire purchase and leasing for plant and equipment between £10,000 and £100,000.

\* \*

sheafbank Property Trust has conditionally agreed to acquire the Grange Industrial Estate, West Sussex, for £1.8m from Boskalis-Keys.

Completed three years ago, the freshold estate is fully let producing annual reats! income of £186,381. It comprises 17 units with a total area of 51,500 sq ft and has been independently valued et £2m.

The ecquisition is seen by Sheafbank as an "excellent epportunity" to expand and geographically diversity its investment property portfolio.

Consideration for the deal, which is subject to shareholders approval will entail the issue and placing of 3.36m new shares at 27p each, realising £900,000 for Boskalis-Keys, and a placing of £1m of new 6 per cent cumulative convertible preference shares at par.

A proportion of the prefer

lative convertible preference shares at par.

A proportion of the preference shares will be made available to the public through the market. Placing arrangements for both classes of shares bave been made by N. M. Rothschild and Hoare Govett.

of 96,000 shares in Nationwide. Mr Turnbull has resigned as a director and has ceased to be employed by NAS.

troversy" within the industry at

Their backgrounds instead were in areas such as the travel industry, which still accounts for about 30 per cent of Biss Laucaster's revenue.

Vickers Instruments, a division of Vickers, and a manufacturer of optical measurement and inspection systems, located in inspection systems, located in York, has purchased the scanning electron microscope activities of Bausch & Lamb, a major U.S. eye and healthcare company, with the acquisition of their Canadian-based business,

County Bank Development Capital has put together a finan-cial package for the management team to acquire the assets and the business of Lintafeam (Loudwater) from Guthrie Corpora-tion.

The deal involves a loan, an

option to purchase 20 per cent of the equity of the new com-pany Filtzform (Londwater) and the provision of an over-draft facility by National West-minster Bank.

Lintafoam is a supplier of latex foam and fibrefill products to the shoe and foundation garment trades.

Alfred McAlpine has expanded in the U.S. with the \$1.9m (£1.74m) purchase of R. & S. Materials Inc. which produces sand and gravel in Alabama. R. & S. Materials, which operates seven sand and gravel quarries, last year had a turnover of \$7.5m (£6.85m).

The company will operate from the Alabama headquarters of the newly formed company Alfred McAlpine Minerals Inc.

The acquisition is part of the group's continuing policy to expand its minerals, homes and property operations in the U.S., which is seen as one of the group's major growth areas for the future.

Alfred Preedy & Sons has reached agreement for the sale of its Ronson division to Reason (Experts), a private company based in West Yorkshire. Preedy is selling the business and tangible fixed assets, stock and book debts of the division for an antici-

### These Notes baving been sold, this announcement appears as a matter of record only.

NEW ISSUE



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BOARD MEETINGS

### Tiphook eyes key trading routes

Tipbook Holdings, a fast-growing container leasing company based in Bromley, kent, is to seek a full Stock Exchange listing within the next few months via an offer for sale of new shares representing about a third of its equity.

Mr Robert Moolague, its ebullient 38-year-old chairman, is expecting to breach the film mark in taxable profits for the current year, up from £712,000 in the year to last April.

The launch should be "in the spring or early summer,"

spring or early summer," although no specific date or target capitalisation has yet

Tiphook began in April 1978 when Mr Montague cut his ties with his family transport business and, working from his home nearby, placed an order for his

first 150 containers.

The supplier then was Adamson Containers of Stockport—the beginning of an association which came full circle late last year when Tiphook bought Adamson from the receivers of its former parent, the failed Acrow emplre.

The addition of a manufacturing arm is seen by Mr Montague as rounding off the intended shape of the business, and will help in his aim to double turn-over in the current year from the £8.2m last time. Adamson is not there as an

in-house supplier for Tiphook. five years, and need only a small staff at Bromley to keep track filling orders for its wide range of them by computer. The absorption of Adamson's work-

Albright &

Wilson gains

from overseas

Despite a lower return from operations in the UK, Albright

operations in the UK. Albright & Wilson increased pre-tax profits by 15 per cent in 1984.

The taxable result for the year showed a £3.86m improvement to £29.53m on sales down from £345.41m to £544.95m. Trading profit came out at £40.13m against £36.96m.

In 1983, the group, a manu-facturer of chemicals and allied

products which has been wholly owned by Teoneco International

Holdings since 1978, sold its agricultural division to ICI for about £20m. The disposal was the final major step in a two-year divestment which had realised

The directors now state that after allowing for businesses sold in 1983, sales in the period

under review were 13 per cent higher and trading profits 17 up

on the previous year.

The major reason for the lower UK profit was the high cost of detergent raw materials, partly caused by exchange rate

movements. In other respects, domestic results were better.

dividend is 1p higher at 8p.

**NEW ISSUE** 

in the region of £70m.



Robert Montague, CH, of Tiph .:..

worldwide geographical spread of the leasing operations—Tip-book has some 75 depots cover-ing virtually everywhere except North America-makes it far more cost-effective to buy many of its new boxes on the Continent and in the Far East fer local delivery.

They are rented out for periods of 90 days to as long as

first balf turnover at Media Technology International flowed through to profits, producing a taxable result of £930,000 ccm-pared with £779,000.

Media is principally engaged in the provision of technically

advanced equipment and services for the film, television, theatre, professional photographic and allied industries through three operating companies: Joe Dutton Cameras, Lee Filters and Lee Filters (Developments)

Turnover for the interim period amounted to £2.95m, against £2.4fm, and generated operating profits of £1.02m compared with £848,000. Interest payable came to £94,000

In line with last October's

prospectus there is no interim dividend. The company says current results indicate that a

movements. In other respects, domestic results were better, Interest charges were reduced from £11.3m to £10.6m. Tax took from £11.3m to £10.6m. Tax took £6.4m (£5.88m) and minorities £1.32m (£854,000). The interim

menis).

(£69,000).

force more than doubled the previous complement of 90 running the leasing side for containers and road trailers, the preduct of a 1982 diversification.
"It's like Hertz or Avis," says Mr Montagne. "We've spent the last few years building up the network, and now it's merely a matter of adding capacity." The aim this year is to increase the more than 14,000 containers by

as many as 10,000. This is the motivation for

Media Technology confident of

This was due to a £127,000 extraordinary provision for excess of

an insurance receipt over the written down value of related assets, and a £544,000 deduction relating to the extraordinary item and after tax profit of subsidiary companies prior to October 16 1984.

Mr Roger Weston, the non-executive chairman, says that while it is always difficult in the film industry to make precise predictions, he confidently ex-pects the second half perform-ance to maintain the first half's

In that case full year profits would be at least £1.85m, against the £1.54m attained in 1983-84 on turnover of £4.86m.

As actor Martin Shaw sets out across the icy wastes in his portrayal of Sir Robert Falcon Scott a Joe Dunton camera wbirrs

Attributable profits were re- ton, which rents high quality tast place on Earth" to invest

rate of growth.

These Notes having been sold, this announcement appears as a matter of record only.

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• comment ...

maintaining 20% growth rate

floating the company, he says, and any reduction in existing boldings in the company will be minimal. "The intention is to promote growth, not to realise our past performance."

our past performance."

Mr Montague is Tiphook's to lift its profits before tax by largest shareholder with 46 per cent of the company. Mr Eric Goodwin, his deputy, owns 10 per cent, while institutional stakes of 30 per cent and 14 per cent respectively are held by UK Provident and Gresham Trust which bave nurtured it through its early growth years.

Research

Barclays Merchant Bank is advising Tiphook on the launch, with L. Messel as brokers.
Further acquisitions in related industries arn possible, according to Mr Montague, but he forester work than enough hanners. sees more than enough happen-ing in the world container business to keep it occupied.

The arrival on the key trading routes of vast-sized container ships circling the globe, with fived schedules and ports of call, is in his view about to transform the unit cost structure of containerisation, and bring in a large bulk of much lower-value

The market within the next few years, be says, "could include everything from coal to cucum-ners." Tipbook's drive to add capacity is in preparation for

Fresh start outside the Acrow umbrella, Page 30

is whether Lee follows Dunton into the U.S. with a marketing base. Profits this year should reach f2m for a p/e of 15 at 180p. That is not expensive for a USM stock but fore some investors a public company controlled by a private one that shares common directors and

lias trading links is a bit like

FEBRUARY 1985

television's

### Housing boosts Ward **Holdings** to near £4.5m

SHARPLY HIGHER returns

remained strong. Output of up-market properties increased pro-portionately and profit margins continued to improve. The structure of the building companies is continuing to be strengthened in order that

expansion of the operations can The number of sites in respect of schemes for the re-tirement market is being added o. Profits from this area are yet to be materially reflected in

mual results.
With prospects in 1985 of inflation being contained and. of interest rates continuing on ... lownward path, the directors expect further progress and itoprovement to be made in the

roperty market. The dividend for the past year is being lifted from 5.19p to 6.6p net by a final of 5p.

Turnover improved from £18.11m to £23.6m and pre-tax profits moved ahead from £2.72m House construction profits

pared to £5.01m (£2.65m), plant ire was little changed at £115 000 15101 000) but the whater pared with previous profits of £5,000, and losses from the mannfacturing side increased from £368,000 to £1,08m. Property investment added £357,000 investment (£332,000).

Earnings per 10p share emerged at 40.Sp (25.8p) after tax of £849.000 (£363,000). Fully diluted earnings amounted to

cameras to the film industry, accounts for some two-thirds of Media's profits and was the driving force behind the latest rise with an increase of close to 25 per cent. The opening of a Californian office six months ago has substantially increased the amount of U.S. business—it only amounted to 2 per cent of turnover in 1963-8i—but in profit terms that development is for the future. For the present Dunton's growth is still UK profits increased by around 10 per cent but a doubling of capacity last November should enable the company to accelerate that progress. The question now is whether Lee follows Dunton into the U.S. with a marketing has a Profits this rear should for the continues to progress, with e for industrial units nearing completion at the Lordswood development. Chatham, and 20,000 sq ft commencing at Maidstone.

Problems were encountered in respect of the sub-contract projected, causing serious commercial loss. This has now been rectified, but financial implications have been "damaging."

The directors of Ward Holdings and their families hold ings and their families hold in the company has been reconstructed in the

### for Aquascutum .

The Acquascutum Group has entered into a new pheadlease with the Crown Estate Commis-sioners on its principal properties in Regent Street and Glass-house Street. The existing leases expire in 2003.

of 52.05m in cash for the grant of the headlease and will pay the commissioners an initial the commissioners an initial reot per annum of £83,750, renewable every five years. The headlease gives Acquascutum security of the occupancy of the properties for an additional 77

Under the existing leases the group presently pays, and will continue to pay until the existing leases expire or are sur-rendered, a total rental of £65,250 per annum. It is hoped, however, that the existing leases will be surrendered, leaving only the beadlease in

ics in Regent Street and Glass-less in Regent Street and Glass-less Street. The existing eases expire in 2003.

The group has paid a premium Profits after tax were ahead by 34 per cent from £506,100 to £678,900. Earnings per share

> James Ferguson Holdings, knitwear manufacturer, financial services and property group, incurred a slightly higher pre-tax

loss to £64,000, against £62,000 for the six months to September 30 1984. This included rights issue

MINING NEWS

### Renco gold output helps Riozim to beat forecast

THE Rie Tinte-Zine group's 58.4 per cent-owned Rin Thate Zimbabwe (Riczim) has enjoyed a much better than expected fourth quarter thanks mainly to an exceptional gold output from its Renco mine.

Consequently, Riozim's earlier forecast of a net attributable prefit for 1984 of over 254m (12.28m) is substantially exceded with a result of

After including an extra-ordinary gain on the sale of surplus plant and equipment from the closed Empress nickel mine. Riverim's total net profit for the year comes out at 257.05m compared with 285.25m in 1983.

Earnings before the extraridinary item equal 28.1 cents per share. The directors point out that while the company's financial position has arengthened they feel it wise strengthened they feel it wise strengthening of the U.S. current policy in view of economic neertainties, and they recompany and Zimbabwe's supportional policy in view of economic neertainties, and they recompany and Zimbabwe's supportion of 12 cents in terms of Zimbabwe's supportional policy in view of economic neertainties, and they recompanied at payment of 12 cents in the company of the U.S. 2500 per ounce which was introduced in November. The 69.3 per cent-owned That Industries also had a better than forecast fourth quarter following higher ore grades and better higher sales of its agricultural mine. Riozim's total net profit

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are ostably held for the compasse of considering dividends. Official indications are not available as to whether the dividends are interints or finals and the sabdwisens shown below are beard mainly on less year's timescale.

TODAY

Interins: Don Brothers Buist, Robert M. Douglas, Watsham's.

Finals: Alta-Laval, AB, ASEA AC, Ault and Wilborg, Mount Charlotte Investments. FUTURE DATES

equipment. This still left the subsidiary with a loss for the year of 25167,000 against a loss of Z527,000 in 1883.

However, a return to profits is expected this year in the light of demand for all products, except discs for tilling, export

### Scadding gold boosts Westfield

THE START of production from output of 3,500 ounces of gold. 20,000 ft of emilor the Scadding gold property near Sedbury, Ontario, coupled with funds raised from a share issue and the sale of an interest in an associated company, enabled Canada's Westfield Minerals to report sharply higher profits for 1984, while at the same time almost trebling exploration

Net profits of this member of he Northeate Exploration group of companies jumped to C31.62m (S1.1m) or 25 cents a share from 1983's CS387,000 or 6 cents.
Revenue from metal production improved from S524,000 to S1.43m, with the bulk of the

The mine came into production last June. Westfield raised \$1.2m from

the sale of its holding in the Whim Creek Consolidated gold producer in Australia, and a fur-ther 53m through a share issue.

Last year's programme acrease coming from Scadding's

20,000 ft of exploration drilling confirmed the presence of at least two zones with good gold values in the area, and numeralisation has been found from surface to depths of around 40 ft. Westfield said yesterday.

This year's exploration programme will fuvolve overburden stripping and trenching to facilitate the next stage of drilling, which is stined at blocking out reserve tomages.

The company boosted spending on exploration from \$750,000 and the first stage of dilling to \$2.3m, with much of this going to \$2.3m, with much of this going towards further work on the Mishibishu gold property 45 miles South-east of Hemlo in orthern Ontarie. Westfield is manager of this joint venture, in which Windarra Minerals and Magnacon Mines and Oils also have interests.

The present ferest road ends seven miles from the property and the Trans-Canada Highway is about 25 miles away. is about 25 miles away.

#### COMPANY NEWS IN BRIEF

Higher taxable profits of £1.21m, against £1,06m, were chieved by Metal Bulletin in the year te December 31, 1984.
An increase of 25 per cent
in the final dividend te 5.5p per
share is recommended, making a total of 8.0p (6.6p). A one-for-one scrip issue is also proposed: The directors of this international publisher and conference organiser expect that 1965 will be a year of continuing challenge, with a further increase in activity foreseen.

costs of £26,000 (nil) and is based on decreased turnover of £162,000 (£230,000). No dividend will be paid. Directors say the loss is mainly

attributable to the company's knitwear subsidiary, but its busi-

ness usually improves in the second haif.

Flegas, a USM company en-gaged in importing and distribu-tion of LPG and LPG appliances reports more than doubled in-terim pre-tax profits of If484,000 against If210,000 (f180,000). Turnover for the Six months in November 30 1084 totalled £7.27m (£5.58m). The directors are confident, that the full year will show a "significant forcesse", in profits.

(0.88p) has already been paid. the date given in yesterday's edition for Lonrob's annual meeting was incorrect. The AGM will be held at Grosvenor

House London Wi, on March 28 at 11.30 am.

Afcor Investments, instructed by Munro Corporate, is placing 1.25m Pearson Butles ordinary shares at 25p each with clients and those of Munro Corporate.
The issue, which is expected to raise to the repay its existing borrowings and provide working capital. The shares will be traded over the counter and should qualify for income tax relief in

accord with the Business Expansion Scheme terms, subject to certain conditions, including Pearson acquiring the whole usued capital of Peter Allyson (Keepsate) of which it has already won acceptances of 99.8 per cent. per cent. The offer is still conditional upon the completion of the

On February 19 the placing of ill show a "significant forresse", Un February 10 the muting of profits.

Systems Designers International An interim dividend of 1.05p was arranged whereby institutional has already been paid. tional "investors" purchased to 1.031,885 new shares at 120p.

of the entitlements of directors of Systems Designers, including their family interests; under the rights offer, and are analysed as follows, Mr P. E. Swinstead 1,529,848, Mr G. W. Holmes. 154,320; Mr C. A. Lennard 183,920; Mr J. L. Platt 130,617; and Mr L M. Scoggins 33,180.

\* \* Net profits of the Ter Investment Trust amounted to £285,000. against £241,000, for the six months to end January 1965. The interim dividend is £2p (3.85p). Net asset value per income and capital share at the end of the period stood at 101p and 688.2p respectively.

#### **APPOINTMENTS**

### Changes at Co-operative Bank

group has established a new division which brings together the direct finance services activities both of the bank and of its dent of the Confederation and wholly-owned subsidiary, First Co-operative Finance. The new combined organisation — direct financial services division—is beaded by Mr Terry Thomas, who remains managing director of the trade union financial institution Unity Trust, but relinquishes his responsibilities for customers services and marketing. Mr Tom O'Malley moves from managing director of First Co-operative to become general manager of the new divi-sion. Mr David Cavell is responsible for processing and adminis-tration in the new division. An assistant general manager of the assistant general manager of the Co-operative Bank he is now appointed additionally a director of First Co-operative. Mr Peter Hartley becomes divisional controller for collection, corporate credit vetting and financial con-trol. He is a director of First Co-operative Finance.

HOARE GOVETT has appointed Mr Stewart Douglas-Mann, previously a corporate finance director of Charterhouse Japhet, to the newly created post of managing director of the corporate finance division.

Mr Mathew Prichard has joined the board of the authors division of BOORER McCONNELL and will succeed Mr Dennis Joss as its chairman on April 1.

KIRKLAND-WHITTAKER GROUP has appointed Mr B. Siersema a director.

Mr Anthony Turner, joint managing director of Benson Turner & Son, has been elected president of the Bradford-based CONFEDERATION OF BRITISH WOOL TEXTILES in succession to Mr David Briggs. Mr Turner, a member of the CBWT's Policy Board and Commerce Council, is

The CO-OPERATIVE BANK Worsted Spinners' Federation. dent of the Confederation and chairman of the Industrial Rela-tions Council. He has served as chairman of its Safety, Hnaith and Welfare Committee and is a former president of the Wool Textile Mannfactuers Federa-tion. Mr Alistair Henderson (vice-president) and Mr Peter

> Mr Tony Stopher has been elected to the board of Giasgow-based electrical distributor and wholesaler MICHAEL BLACK
> which was taken over last year
> by Emess Lighting He is Newcastle branch manager of Michael Black.

Lees (hon. treasurer)

re-elected.

Mr Donald S. Morton has been appointed deputy managing director of STONE & WEBSTER ENGINEERING. An American, he is also a vice-president of Stone & Webster Engineering Corporation of the U.S. and he was manager of the New York office before transferring to the U.S. to the New York UK to his new post.

CONTIKI TRAVEL INTER-NATIONAL has appointed Mr Geoffrey Phillips to the board, responsible for sales worldwide. He was regional sales director, UK and Europe.

Mr J. P. Barber becomes deputy secretary of ROYAL INSURANCE from March 1. Hn was executive director, corporate administration, Royal Insurance Australia.

Mr Melvyn S. Ansher Mr Julian A. Friedman, Mr Alan H. Morton and Mr Harold J. Zucker-man have been appointed associate directors of S. & W. BERISFORD.

Mr Stanley Jackson has been appointed to the board of TARGET FINANCIAL CONSULTANTS as development director.

Crown Life. Mr Ben Allen joins the board as sales director. He was previously sales man-ager. Target Financial Consul-tants is the direct sales division of Target Group. of Target Group.

The BANK OF SCOTLAND has made the following appointmants in its new international division, treasury department:

Mr Douglas D. Anderson as chief manager and Mr James F. Craig. as foreign, exchange manager.

Mr Jack E. Gardiner and Mr Christopher P. Wesolowski have been appointed to the board of OPPENHEIMER TRUST MAN-AGEMENT. Mrs Lei M. Dungate and Mr Wesolowski bave been appointed to the board of Oppenheimer. Money Manyer Oppenheimer Money Manage-ment Both companies are subsidiaries of Mercantile House Holdings.

KANSALLIS-OSAKE PANKKI Finland's largest commercial bank, has appointed Mr Ross Finland's largest commercial bank, has appointed Mr Ross Tanner as senior manager, credits and marketing in its London branch. He joins Kansallis from the London branch of Den Danske Bank, where he was business development manager. Hn was previously managing director of Chase Manhattan Oy in Helsinki. Tha mpointment, which takes effect from March 4 follows news that Mr Peter Fagernas, currently deputy general manager in London, is to lead the branch which Kansallis intends to open in New York later this year.

Mr John A. Harper, who has been a non-executive director of THE FREDERICK PARKER GROUP for the past year, takes over in March as chairman and chief executive from Mr. Kenneth J. Parker, who is remaining as a non-executive director, Mr Harper was previously an executive director with Staveley Industries.

Expansion of the Sir Hugh.

Expansion of the Sir High retail group, part of ALLANDER HOLDINGS, following the pur-chase of "Sir" and "Caird"

stores throughout Scotland has resulted in the following changes. Sir Hugh Fraser becomes chairman and joint managing director. Ms Janks Sue Smith is made joint managing director with particular responsibility for merchandising policy. Mr Robert Martin, director of Caird Retail, joins thin board of "Sir" shops with responsibility for shop operations. Mr. Alec Baird becomes director with responsibility for store development, staffing and maintenance. Mr Bruce Wallace remains financial director of both companies.

Following the purchase of CENTURY ALUMINIUM from Amari by the Norwegian company, Ardal og Sunndal Verk (ASV.), Mr O. Natvik, of ASV. has joined Century's board

BELLWAY has appointed to its board Mr Bob Craigie, managing director of Bellway (South East), and Mr Ashley Bell, managing director of Bellway (North East). Mr Bell, is the third generation of the founding Bell family.

Mr John Turnbull has been appointed general manager, UK/. Ireland, for J I CASE EUROPE, from group manager, UK/Ireland, Case Tractors.

C. V. Woven Fabrics, part of thin Vantona Viyella Group, has formed CARRINGTON APPAREL FABRICS to bring together the activities of the recently acquired Tootal Performance Fabrics end parts of the existing operation. Mr David Theraton has been appointed managing director of the new company with Mr Gooff Pritchard, formerly general manager, Tootal Workwear Fabrics as sales director (spun fabrics) and Mr Roger Carrington, formerly sales director Parmawear, as sales director (flament and technical fabrics).

Mr Edward Bayne has been appointed chairman elect of the BRITISH FASHION COUNCIL

CHAMPION SPARKING PLACE CO has appointed Mr Flemington as director

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NEW YORK STOCK EXCHANGE 32-33 AMERICAN STOCK EXCHANGE 33-34 U.S. OVER-THE-COUNTER 34, 42 WORLD STOCK MARKETS 34 LONDON STOCK EXCHANGE 34-37 UNIT TRUSTS 38-39 COMMODITIES 40 CURRENCIES 41 INTERNATIONAL CAPITAL MARKETS 42 SECTION III - INTERNATIONAL MARKETS

### **FINANCIAL TIMES**

Friday February 22 1985

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#### **WALL STREET**

### **GNP** data bring bout of nerves

GROUND was surrendered by Wall Street stocks yesterday as money market rates and bond yields continued to rise after the U.S. Commerce Depart ment strongly npgraded its estimates of growth in gross national product in the final quarter of last year, writes Terry

Byland in New York.

This indication of U.S. economic strength beightened nervousness over the next move in the credit policies of the Federal Reserve.

Stock prices remained weak throughout the session, and at midday the market was down hy more than six Dow points. Prices rallied at the close, helped by a recovery in bonds ahead of the money supply announcement. The Dow Jones industrial average ended a net 4.09 points down at 1279.04, with the Standard & Poor's 500 and the American Stock Exchange indices showing significant falls. Turnover, at 104.4m shares, remained high.

Further consideration of Mr Paul Volcker's testimony to the Senate appeared to reinforce Wall Street's worries over the mid-term prospects for Fed pol-icies. The arrangement of \$2hn in cus-

Frankfurt Commerzbank

Dec. 1953 - 100

Paris CAC General

Dec 31.1982 100

tomer repurchases - the sixth successive daily injection of funds – confirmed Mr Volcker's assurance that the Reserve Board is not tightening at the moment. But Treasury bill and short term mon-

ey market rates moved sharply higher again, bringing rates on six-month certificates of deposit to 9.30 per cent, as the markets braced themselves for a possible tightening later this year.

U.S. Trust raised its broker loan rate from 9.25 per cent to 9.5 per cent. The Fed's intervention failed to lower the funds rate from 61% per cent.

The continued strength of the economy, indicated by the Commerce Department'a upgrading of 1984 final quarter GNP estimates from 3.9 per cent to 4.9 per cent, buoyed the stock market at first. However, a flurry of small sales by personal investors soon caused the re-porting tapes to lag behind the market. Analysts remained confident of fur-

ther growth in the economy and in corporate profits. Some predict that interest rates will stabilise and that inflation will remain subdued. However, the rise in bond market yields, if continued, will diminish the attractions of the stock market for new investment money.

Utilities, sensitive to interest rate nervousness, shaded lower. Further profittaking in airline issues lowered the Dow transportation average. At \$46, United dipped \$%, and American eased \$% to

A weak feature was American International, down \$2% to \$71% in heavy trade after a brokerage analyst had cut 1985 profits estimates.

Defence issues looked irregular with General Dynamics down \$11/4 at \$781/4 after the U.S. Navy had questioned some

1350

1300

1250

1050

1000

950

KEY MARKET MONITORS

of its contract expenses. Lockheed, at \$50%, gained \$1% but Martin Marietta lost \$1% to \$52.

IBM edged up \$\% to \$134, helped by the new stock market information pro-ject planned with Merrill Lynch. Texas Instruments dipped \$\% to \$118\%, Dats General lost \$\% to \$58\%

Losses widened across the range of industrial stocks as the session pro-gressed. General Motors shed \$% to \$78, Seneral Electric gave up \$1/4 to \$63%, and Eastman Kodak, still smarting from the board's warning of lower growth ahead,

lost \$% to \$86%.

Stauffer Chemicals, \$% up at \$27%, continued to trade heavily on the bld offer from Chesebrough Pond's. With the hattle between the board and Mr Carl. Icahn approaching full boil, Phillips Pe-

troleum held unchanged at \$48.
On the American Stock Exchange, a block of 250,000 ADRs of Imperial Chemical Industries of the UK traded at \$38

By midsession, credit markets were thoroughly depressed. Lack of retail par-ticipation has left bond trader portfolios loaded with the \$9bn two-year treasury notes auctioned on Wednesday. The

price of the key long bond fell 1 1/2 to 97. With federal funds still high after reg-ular injections of help from the Fed Treasury bill rates extended early gains. Three-month bills were 15 basis points up at 8.40 per cent, and six-months 13 higher at 6.52 per cent.

#### TOKYO

### **Brokers** step into limelight

LEADING brokerage houses soared in Tokyo yesterday, pushing the Nikkei-Dow Jones index to an all-time high in the morning, but the average finished lower on late sales of financial stocks, writes Shigeo Nishiwaki of Jiji Press.

Medium-capital hiue chips involved with compact disc audio equipment came under profit-taking pressure, strengthening the liquidating mood..

The 225-issue market indicator, which reached a record 12,161.97 at one stage, closed at 12,126.46, down 23.91 from Wednesday. Volume totalled 304m shares compared with 294m. Losses outpaced gains 397 to 338; with 177 issues

Reports on probably sharp gains in the recurring profits of the largest four securities companies for the October 1984 to March 1985 period was a major buying incentive in an otherwise lack lustre market.

Nomura Securities, which is expected to score a Y95hn recurring profit, drew massive buy orders, soaring Y49 to Y990 on the day's heaviest trading of 17.22m shares. Daiwa Securities was the fifth most active stock, adding Y26 to Y723. Yamaichi and Nikko Securities gained Y38 to Y635 and Y25 to Y640, respective-

ly.
The interest in hrokerage houses spurred purchases of other financial

Hong Kong and Singapore markets were closed yesterday for the Chinese lunar new year.

stocks. Tokio Marine and Fire advanced Y9 to Y756 on relatively heavy buying and Sumitomo Marine and Fire went up Y10 to Y595. Among city banks, Taiyo Kobe Bank finished Y20 higher at Y595

and Sanwa Bank at 1,460, up Y50. Elsewhere, hiotechnology-related Mitsuhishi Chemical gained Y15 to Y429 on the second most active trading of 9.26m shares. But Dainippon Pharmaceutical fell Y100 to Y6,250 and Yamanouchi Pharmaceutical Y90 to Y3,810. Mochida Pharmaceutical again turned lower, losing Y170 to Y12.180.

Investors bought motor manufacturers with small quotas for exports to the U.S. under Japan's voluntary restraints in view of the growing possibility the curbs will be lifted at the end of March. Isuzu rose Y11 to Y399 on 3.35m shares, the day's 10th husiest. Mazda was up Y6 at Y464.

Wednesday's Senate statement by Mr Paul Volcker, the U.S. Federal Reserve Board chairman, was taken as a neutral factor by stock investors. But bond investors initially took it as negative and unloaded their holdings.

The yield on the barometer 7.3 per cent government bonds maturing in December 1993 jumped to 6.98 per cent from 6.825 per cent at one stage. At this level, however, trust banks mounted small-lot buying and investors adopted the view that Mr Volcker's statement did not mean the U.S. monetary policy would be tightened. As a result, the yield fell back to 6.880 per cent.

#### CANADA

A STEEP downward drop in prices was seen in most Toronto sectors. Although the retreat was much in evidence among the precious metal producers, base metal shares withstood some of the seliing pressure.

Union Enterprises was again actively traded and turned CS% lower to CS12%, while Placer Development was CS% down at C\$24 after news of a forced temporary operational shutdown of its Australian gold mine.

Industrials moved against the weaker trend in a broadly lower Montreal.

#### EUROPE

### Frankfurt falters on profit-taking

SOME heavy profit-taking left West German shares lower yesterday after the record-setting performance seen earlier in the week, but elsewhere, a continuation of buying interest enabled further new peaks to be scaled.

In Paris, prices moved up sharply in active trading, again helped by the strength of the dollar. The availability of funds following end-of-month liquid-ation and the ability of investors to buy stocks on one month's credit at the beginning of a trading account, were added incentives. The CAC General in-dex added 2.3 to a record 205.9.

Food groups were particularly strong while technology issues were led higher hy Matra's FFr 105 advance to FFr 1,725. Roussel-Uclaf, the chemicals group, was also strongly ahead, up FFr 80 at FFr

Avions Dassault continued its advance with a FFr 50 rise to FFr 1,165 on bopes of a major arms contract with Saudi Arabia.

A continuation of strong foreign de-mand for blue chips enabled Amsterdam's ANP-CBS general index to move further ahead - up 1.1 to a record 205.5, its third consecutive peak.

However, the absence of domestic de-

mand, as investors wait for recent sharp gains to consolidate, left the broader market to close mixed. Among internationals, Akzo added Fl 1.90 to Fl 109.50, Philips 40 cents to Fl 60.30 and Unilever Fl 1.50 to Fl 342. KLM

- a recent favourite with U.S. investors put on further Fl 1.30 to Fl 58.30. Against the higher trend, Royal Dutch shed Fl 1.20 to Fl 204.20.

Bond prices were broadly lower in relatively quiet trading.

Brussels continued to move ahead in hrisk trading and the stock exchange in-

dex added 24.21 to 2,225.25. The firm tone is being attributed to hopes that the Government will extend

laws giving tax breaks to individuals who buy stock. The market is also said to be optimistic that interest rates may ease next month when the state body, Fonds des Routes, makes a new bond is-

Wiremaker Bekaert gained BFr 50 to BFr 5,100 after its announcement of an order to supply insulation materials for the U.S. space sbuttle programme.

Among financial holding companies, Groupe Bruxelles Lambert gained BFr 60 to BFr 2,150 while in the banking sector, Kreditbank rose BFr 90 to BFr 7,950. A mixed close was seen in Zurich with many investors reluctant to take new positions at current high levels. The Swiss Bank industrial index was, how-

ever, 1.1 abead at a record 419.30. Nestlé partly recouped Wednesday's SwFr 90 loss with a SwFr 60 advance to SwFr 6,410. In a quiet banking sector, Credit Suisse was SwFr 15 higher at SwFr 2,425 ahead of the announcement of its 1984 results which came after

bourse trading. Bond prices were harely steady in very quiet trading. The recent failure of newly-traded bonds to hold issue prices was a depressing factor in a market already inhibited by interest rate and currency developments and the weaker trend on U.S. credit markets overnight.

Profit-taking and a sharp fall in foreign buying activity in Frankfurt con-tributed to the 10.5 decline in the midsession calculation of the Commerzbank index to 1,178. Leter in the session, many prices picked up to close above their lows for the day. Motor manufacturers were lower after

the run-ups seen earlier in the week. Daimler shed DM 7 to DM 652, BMW DM 4.80 to DM 361 and VW DM 1 to DM 196. Porsche slid DM 5 to DM 1.260. In steels, Klöckner-Werke was an-

other DM 1.90 weaker at DM 72.70 AEG-Telefunken eased DM 2 to DM 111: the group announced it was heading a consortium that bad signed a DM 45m contract with China to modernise and automate a sheet steel plant.

Bond prices were sharply lower in active trading and the Bundesbank bought DM 62.1m of paper following purchases totalling just DM 4.1m on Wednesday.

Stockholm was mixed to firmer in

quiet trading. Asea was SKr 10 lower at SKr 350 ahead of the announcement of improved 1984 profits, after the market had closed.

Milan and Madrid were both easier while in Copenhagen, Danske Bank shed DKr 5 to DKr 1,230 as it announced sharply lower pre-tax profits for 1984. Vienna continued its record-setting

#### LONDON

### **Electricals** flicker in firmer trend

A MORE positive trend in equities reemerged in London yesterday after an early shakeout in the Blectricals sectors. The FT Ordinary index closed 3.6 higher

Strong dollar/sterling rate fluctua-tions were ignored by gilt investors and both sbort and long maturities showed only marginal movements by the close. Index-linked issues lost % in places.

The £60m issue of Kingdom of Spain stock 2010, the latest buildog, was over-subscribed with applications in excess of £10,000 scaled down.

Chief price changes, Page 34; Details, Page 35; Share information service, Pages 36–37

### **AUSTRALIA**

THE SHARP sting of profit-taking was felt in Sydney as share prices retreated from the peak set in the previous ses-

firmed slightly and foreign investors liquidated positions. Industrials were hardest hit while re-

source issues managed gains before weakening near the close. BHP extended the steady progess

sion. The All-Ordinaries index slipped

3.3 to 795.6 as the Australian dollar

made earlier this week with a further 6-cent advance to A\$5.42 while Western Mining closed 5 cents stronger at A\$3.63, a gain of 30 cents this week.

#### **SOUTH AFRICA**

A WEAKER hullion price combined with the strength of the dollar to deflate gold

shares in late trading in Johannesburg. Randfontein took a R4 tumble to R176 while Free State Geduld confined its decline to 75 cents at R43.50. Other miners suffered a knock-on effect with platinum producer Rustenburg and diamond group de Beers both 20 cents off at R16.40 and R8.85 respectively.

Industries were mixed although sector leader Barlow Rand was unchanged at R10 after displaying weakness in the early part of the week.

FINANCIAL TIMES CONFERENCES



### Cable Television & Satellite Broadcasting

The Financial Times third international conference on Cable Television & Satellite Broadcasting will be held at the Royal Lancaster Hotel in London on 19 & 20 March 1985.

Issues to be discussed:

- \*What kind of programmes are viewers prepared to pay for, and what are the economics of making and distributing them?
- \*What roles should governments play in fostering the new media, and what kind of regulatory framework is needed?
- \* Is there likely to be a mass market for interactive home information services, and how fast will it develop?
- \*What lessons can Europe learn from recent US experience?

### Some of the speakers taking part:-

Mr Giles Shaw, MP Minister of State at the Home Office

The Rt Hon The Lord Thomson of Monifieth, KT, PC Independent Broadcasting Authority

Mr Brian Deutsch Westminster Cable Company Ltd Mr Peter F Hazell

National Economic Research Associates Inc Mr Patrick Cox Sky Channel

Minister of Welfare, Health and Cultural Affairs, The Netherlands Mr Stephane Hessel Membre de la Haute Autorité de

Mr Elco Brinkman

la Communication Audiovisuelle Mr Francis Baron

W H Smith Cable Mr Richard Hooper

British Telecommunications pic Mr José Frèches

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STOCK	MARKET	INDICES		1		CURRI	DICIES		
NEW YORK	Feb 21	Previous	Year ago		11.5	, DOL	AR	STEL	RLING
DJ industrials	1.279.04			(London)		1 Pre		Feb 21	Previous
DJ Transport	627.77	633.75		\$		_ ::::	_	1.082	1.086
DJ Utilities	149.88	150,39	124,61	DM	3.35	6 : 3	.336 3	3.6325	3,62
S&P Composite	181.18	181.18	154.64	Yen	261	8 2	61,3 2	83.25	283.75
LONDON			·	FFt	10.262	S 10.		11.11	11,07
FT Ord	984.90	981.30	806.90	SWFr	2.82			1.0625	3.065
FT-SE 100	1.279.10			Guider	3,80		7745	4.115	4.1025
FT-A All-share	614.90	614.7		Ura	2,085.			254.0	
FT-A 500	673.57	672.70	523.38	BF	67.3 1.366	_	66.8	72.95 ·	72.7
FT Gold mines	486.80	497.20	671.00	CS	1,300	7 1,35	1033	HOUS	.1.4000
FT-A Long gilt	10.82	10.80	10.22	-	HE	TERES	T RATE	5 · ·	
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BELGIUM		-			-month		٠.	9%	9%
Belgian SE	2 225.25	2,201.04	_	U.S. Fed			_	37%	8.9
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Montreal	130.71	131.54	116.05			Price		991%	
Portfello	130.71	131,34	110.00	8%, 196		99%		1003%	
DENMARK .				11% 199		100%± 97°%±	-	9817/2	
Copenhagen SE	172.49	174.38	205.60	11% 201		9742	-		11.50
FRANCE				Corporat		Feb		Pro	
CAC Gen	205.9	203.8	161.7	AT & T		Price		Price	
Ind. Tendance	111.2	109.7	86.2	10% June	1990	96%		961/2	11.25
				3% July		76	9.75	76	8.75
WEST GERMANY		408.73	352.41	8% May		76%	. 12.15	. 76%	12.15
FAZ-Aktien	405.5	1.188.5	1.036.8	Xerox					
Commerzbank	1,178.0	1,100.0	1,000.0	10% Marc	rh 1993	941/2	11.70	94%	11.70
HONG KONG				Diamond !	Shamro	ck			
Hang Seng	closed	1,435.17	1,066.91	10% May	1993	92%	12.10	92%	12.10
TALY				Federated	Dept \$	Stores			
Banca Comm.	n/a	288.71	218.38	10% May	2013	. 87%	12%	87%	12%
				Abbol Lai	ь				
ANP-CBS Gen	205:5	204.4	181.2	11.60 Feb	2013	96%	97%	96%	. 97%
ANP-CBS Ind	163.7	162.2	132.3	Alcon		·			· .
				12% Dec	2012	97%	. 12%	97%	12%
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PAIN	444.67	115.18	84.74	March Certifical					. 51.75
Madrid SE	114.47	(13.10		\$1m point			r fram-1		
WEDEN			4	March		90.89	90.94	90.85	91.01
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WITZERLAND				Three-me	entir E	rodoli	er .		
Swiss Bank Ind	419.3	418.2	373.2	\$1m point		<b>7%</b>			V.,
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Paris (fixing)		302.65	\$303.25	Silver (spo			567.0 £1,261.7		
uxembourg lew York (Apr)		301.10*	\$306.00	Copper (ca		, .	£2,334.5		
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### WORLD STOCK MARKETS

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The contraction of the contracti	Fig. 51	Chelle price changes of the control
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### Firm equity trend re-emerges after early

shake-out in Electrical sector

Account Dealing Dates
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Feb 21 Feb 22 Mar 4
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Mar 11 Mar 21 Mar 22 Apr 1

"New-time" dealings may take

place from 9.30 em two business days earlier.

London equity markets were none too certain in the early stages yesterday but the firm underlying trend of the two previous sessions later re-emerged and values closed marginally higher on halance. The early inunderlying trend of the two previous sessions later re-emerged and values closed marginally higher on balance. The early indecision was blamed partly on the Federal Reserve Board chairman's ambiguous remarks regarding U.S. credit policies and partly on an early self-off of leading Electrical stocks.

Miscalculated sterking conversions of Plessey'e third-quarter net income, reported by an agency oversight in New York, brought on the latest attack of nerves in the sector. Official announcement of a f40m profit figure in line with analysis' predictions restored confidence around mid-morning and most issues recovered quickly. Plessey rebounded from 164p in busy trading to close a net 16 np on the Gay at 192p and other leading Electricals fallowed.

The price fluctuations in Plessey and other Electrical constituents of the FT Ordinary share index influenced the measure's performance. At 11 am it was showing a fall of 4.3 but from there onwards it progressed higher to close with a

am it was showing a fall of 4.3 but from there onwards it progressed higher to close with a net gain of 8.6 at 984.9. With the exception of ICI, still climbing in front of next week's pre-himinary statement, other blue chip industrials settled with small mixed changes.

The movements in sterling

against the dollar, which continued strongly, were largely ignored. Government bonds started easier but often regained the losses, despite the pound'o late downturn against all leading currencies. At the close of the session movements in both short and longer maturities were marginal. Index-linked stocks, meanwhile, lost ‡ in places an news that epplications for the £400m issue of Treasury 2½ per cent 2013 had been allotted in full at a striking price of 88; dealings in the stock begin this

In contrast, the £60m issue of Kingdom of Spain stock 2010, the latest buildog stock, was oversubscribed with applications in excess of £10,000 scaled down.

Banks quiet

casualty; Natwest start the clear-inging bank dividend season on March 5.

Insurances, under salling pressure earlier in the week 2n Budget worries, traded on e calmer note, but still settled lower on balance. Composites also gave modest ground ahead of their dividend season. Boyal Insurance, annual results due on March 4, lost 5 to 552p, while General Accident, reporting on March 6, slipped 3 to 517p. Elsewhere, Australian group FAI Insurances rose 48 to 729p following the volatile performance of the Australian dollar. Among Lloyds brokers, Hogg Robinsen featured with a rise of 7 to 262p following publicity given to 2 brokers circular. Minet firmed 5 to 266p.

brokers circular. Minet firmed 5 to 286p.

A lively two-way trade left leading Breweries 2 shade firmer for choice. Arthur Guinness were outstanding and touched 242p before closing a net 8 up et 240p following bullish reports emanating from a broker's lunch. Minor movements in either direction often disguised a relatively active day's trading among leading Contracting end Construction issues. Sizeable U.S. support for George Wimpey was struction issues. Sizeable U.S. support for George Wimpey was balanced by domestic selling and the price held et 100p, while a lively two-way business saw Taylor Weedrew slip to 260p prior to closing a net 5 off at 360p. Secondary issues provided 362p. Secondary issues provided several bright features. Ward Holdings figured prominently, the Ordinary rising 18 to 179p and the Deferred 16 to 174p following the excellent annual results. Essewhere, a newsletter recommendation stimulated strong support for British Dredging which rose 7 to 79p, after 80p; BMC, which holds e 25 per cent stake in BD and is tipped as a possible bidder, drifted off to close 4 cheaper at 356p. Henderson Group continued to respand to acquisition news and rose 8 more to 308p, while rose 8 more to 308p, while Robert M. Douglas bardened 2 to 53p ewaiting today's half-timer. Buying ahead af the annual results due on March 6. lifted Federated Housing 3 to 45p.

45p.

ICI continued to trade firmly shead of next Thursday's annual anead of next Thursday's annual results and the price touched a 1984-85 peak of 885p prior to closing 7 higher on balance at 877p, Other Chemicals tended to ease on end-Account influences, but Hickson International rose 15 to 470p in a restricted market and Leigh Interests improved 3 to 1040.

FINANCIAL TIMES STOCK INDICES

Feb. Fnb. Feb. Feb. Feb. Feb. 14 ago ... 79,50 79,50 79,75 79,83 80,12 79,65 62,95 ... 63,64 83,79 83,70 83,01 83,27 83,35 86,99 ... 984,9 981,3 877,5 970,5 978,9 984,7 806,0 488.8 427.2 503.4 511.4 495.8 498.7 871.0 Total bargaine (Est.): \$4,684, \$4,005: \$5,432, 24,758 \$4,448 23,586; \$2,660 Equity turnover &m.: - 1572,80 345.57 321.93 415.07 465.28 500,50 Equity bargains...... - 20,515 21,044 24,515 22,117 23,693 61,846 Shares Iraded (ms)... - 202.9 166,5: 158,5 215,9 826.8 178,5

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Latest Index 01-246 8626. . FS.O? -11M

HIGHS AND LOWS

S.E. ACTIVITY

	1964	185	Since Co	mpllatin		Feb.	Feb.
	High	Low	Nigh	Low	Daily		-
ovi Seca.	83.77	74.72	127,A (9/1/85)	49,15	Equities .	126.0	199,8
ked int.	57.46 (14/5/64)		160.4	60.55 (\$/1/75)	Sargeire, Value Sday Average	755.5	760.5
rdinery	(22/1/86)	755.3 (25/7/34)	(22/1(25)	40.4 (26/6/40)	Gift Edged	136.2	158.7
old Mines	711.7	439.5 (25 1/15)	754.7	433	. Sarasina	145.2 780.9	144.5 766.2

mst support in front of next Tuesday's preliminary figures and improved 6 more to \$13p, Occasional interest was also noted for Alfred Preedy, 112p, and Austin Reed, 105p, up 5 and 7 respectively. 7 respectively.

Lesding Electricals followed in the wake of Plessey and most showed gains on balance after an initial setback. Hacal settled 6 dearers t 206p and GEC 4 higher at 200p. Disappointing results from hid favourite Mair-head left the close 6 cheaper et 184p, but Microvitee continued to make progress shead of Mon-day's preliminary figures and gained 6 further to 779.

gained 6 further to 77p.

Activity in the Engineering sector again centred around possible tid candidates. Haden settled well above the cash hid of 240p per share from Traininger House, closing 20 higher at 300p, while Davy Corporation rose 4 to 99p and Molius a like amount to 132p. Remarked support lifted. Among Discounts, Secombo But Hickson International rose but Hickson International rose 15 to 4700 in a restricted market and Leigh Interests improved 3 to 1040.

The major clearing banks, having shrugged aside Latin American debt wordes on Wednesday, drifted lower initially in the absence of follow-through support. Prices later steaded, however, and NatWest, 11 off at 655p, were the only tion of the sale of its stake in Indian Card Clothing left Carele up 13 more st 2430, while Lake and Elliet improved late to close 3 higher at 77p on the

agreed bid of 80p per share from

agreed bid of 80p per share from Suter.

Among Foods, a broker's circular stimulated demand for Unig taup, efect — d—
Unigate, up 6 at 147p, but profittaking in the absence of any bid developments left United Biscaits 5 off ot 208p. Tate and Lyls slipped to 465p initially, but a middly bullish amoual meeting helped this price revert to the overnight 470p. Bisewhere, recently firm British Vending Industries shed 7 to 52p on end-Acount profit taking.

Stakis firmed 7 to 185p on news that the company is negotiating to sell its wholesale wines and spirits interest to Scottish and Newcastle Brewaries.

Bestobell fall

bell weakened 12 to 275n for lowing the company's disclosure of poor trading conditions in South Africa and Australis, which are expected to have a severe impact an group profits for 1984. In contrast, DPCE moved up 20 to 465p in response to this interim figures, proposed 28.9m rights issue and final dividend forecast Turner and Newall were supported and put on 7 to The latest decline in bullion. dend forecast. Turner and Newall were supported and put on 7 to 112p, while British Accuspace, still reflecting recent newspaper fromment, advanced 9 further to 390p. Pelly Peck came 12 life with a rise of 12 at 237p. Bid speculation revived in Brammer, 5 to the good at 321p, after 330p, while bumper interim results prompted a rise of 6 to 73p in Flogas. "New-time " demand ahead of next weke's preliminary statement left Mariey a few pence better at 91p. Reuters B encountered initial profit-taking and touched 365p before recovering to close 2 better on balance are expected next Tuesday.

Medminster continued to stract buvers ahead of the half-year results, due on March 4, and rose 6 for e two-day gain of 15 st 155p. Media Technology, while South African Land dipped

11

0.60 2.60 6.50

111 4,20 14,50 4,12 4,50 5,30 5,30 5,30 5,50 1,50 2 1,50 2,140 8

200 250 2.52 4 1,60 2.70

TOTAL VOLUME IN CONTRACTS: 26,022.

ment regarding the level of acceptances is expected this morning.

Bid speculation continued to shrout Freet Holdings; opening higher et 286p, the shares subsequently eased to 285p bot ettracted renewed support at this level and settled 6 op on balance at 291p. United Newspapers, which bolds around 20 per cent of Fleet, hardened 5 couple af pence to 310p, while Atthen Hums rose 8 to 183p. Metal Buletia rose 10 to 215p following the annual results and proposed 100 per cent scrip issue. Adversiong agency Wight Collins Rutherford Scott spurted 31 to 206p in lively trading on the conditional acquisition of public relations concern Biss Lancaster.

Stock Conversion, a strong market on Wednesday as hid speculetion revived, hardened 2 prices moved sharply higher initially but tended to ease 5 shade easier for choice, but secondary issues provided o few were prominent and put on 20

12 437p for 2 two-day gain af 18. Other Properties continued 12 trade quietly and settled e shade easier for choice, but secondary issues provided o few

as investors remained encouraged by the company's recent meeting with brokers. Hicking Pentecosi rose 4 to 45p on fresh speculative demand, but among smaller priced counters, James Fergussen, formerly Shaw and Marvin, slumped 3 to 3p reflecting the liquidation of bull positions following the disappointing interimingures.

Heavily traded in the U.S. overnight, Imperial Group went further ahead in the early business and touched 212p; business dimplated later, however, and the close was finally unchanged at 209p. Bats advanced 5 to 360p.

Saxon oil advance

Secondary stocks provided numerous firm features in Oils, Saxon Oil continued their recent strong advance and jumped 28 more to a year's best of 473p following the interim results and the accompanying statement which revealed another encouraging allowed discourse in the Leading miscellaneous industrials rallied from a dull start as buyers cams for some international stocks. BTR, down to 635p at one stage, ended only e. couple of pence cheaper at 639p, while Beecham also settled only 2 lower at 360p, after 356p. Elsewhere, Bests, bell weakened 12 to 275p following the company's disclosure

4.80 5.50 7.50 2.70 12.80

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**EUROPEAN OPTIONS EXCHANGE** 

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16

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4.90 1.50 2.60 4.70 3.60 5.60 6.15

25 .5 21

Sector

19 to 22ip and East Rand Proprietary 20 to 656p.

South African Financials posted numerous falls. De Beers remained out of favour and gave up 10 more to 407p—a decline of 33 on the week so far, while angle American Corporation were if cheaper at £10i and "Amogold" e point easier et £72i. This recently-announced dearer on balance at 44ip; yesterday saw the first closing date of the offer from BTR. A statement regarding the level of the offer from BTR. A statement regarding the level of the 10 to 715p for a three-day fall of 35.

There was no respite for e

trade quietly and settled e shade easier for choice, but secondary issues provided o few noteworthy movements. Regalam attracted speculative interest and gained 6 ts 82p, while Scottish Metropolitan revived 3 to 85p. Firm throughout, Courtaelds attracted further support after the official classe to finish 4 np far a two-day advance 2f 8 at 149p as investors remained encouraged by the company's recent meeting with brokers. Hicking Pentecost rose 4 ts 48p on fresh speculative demand, but among smaller-priced counters. James Ferzu-

**NEW HIGHS AND LOWS FOR 1984/5** 

NEW HIGHS (106)

NEW LOWS (12) her 64,1 RAMES (1) ELECTRICALS 40 INDUSTRIALS (Z)

FT conference on

private medicine MR KENNETH Clarke, Health Minister will present the Government view of private health care at a Finacial Times conference, Private Health Care, in London on March 25-26.

The conference will be chaired by Sir Alec Merrison, former Vice-Chancellor of Bristol University and chairman of the Royal Commission into the health service.

Trial contracts struck amounted to 4,628—the lowest so far this year. ICI stracted 485 calls, 217 in the April 900s, while Imperial Gtonp recorded 294 calls and 307 puts. 350 puts were struck in Contranids, all in the April 140s.

NEW HIGHS (108)

AMBERICANE (10)

BEHLDINGS (7)

CHEMICALS (2)

ENGRALEBRING (10)

HOUTELS (1)

HOUTELS (1)

HOUTELS (2)

HOUTELS (2)

PAPER (2)

OULS (3)

GVERSIAR TRADES (1)

Foods and Dunisp. A put was arranged in Sangers, but no doubles were reported. RISES AND FALLS YESTERDAY

Alexandra Work, 12p, 134

Berkaley Technology, 140

Berkaley Technology, 140

Berkaley Technology, 140

Cons. Tern. Invs.20p 96

Hilledown Hidgs. 10p, 173

Billedown Hidgs. 10p, 173

EQUITIES

FIVEN INTEREST STANK

RECENT ISSUES

	FEA	EU	114	CK	E5	ISIOCKS		
	price	Amount paid up	teet hund.	198	4/86	Stock	Olasing price &	+ 01
	E	₹8	35.	High	Low		ě.	
	21.574	F.P.		115 '	110	African Dev. Bank 1112 Ln. 2010 Beazer (C. H.) 812 Uns. Ln. 2000	503,	_5 <sub>4</sub>
	1101 11 25,81	F.P.	15/2 22/5 112/6	54 1024 301	99	Felixstowe Dock Prf. Units 1	81 1014	
I	199, 199 19	EPS F.P.	15/3	297 111	241 <sub>2</sub>	Lon. 5hop Prop. 11821st Mort, Neb. 2019 Mountieigh 92% Conv. Unsec. Ln. 2006	85 107	12
ı	_	F.P.	Ξ	995g 160 12pm	9978	Nationwide Bidg. Soc. 123 3/8/86 Oc. 125e3; 24/2/86 Polly Peck Intl. 93 Cv. Un. Ln. '03-08	99 997 5pm	
ı	1£11	NII F.P.	12/4 15/2	18pm	2pm 107	*Sangors 11% Cnv. Uns. Ln. 94/02 Shires Inv. Units !	4pm	+2 -3
Ì	21.976	MII ESO	\$3/2		171g.	Sweden 11% Ln. 2012 Tricentrol 11% Cnv. Une. Ln. 25/05	20% 16pm	

"RIGHTS" OFFERS

lasue	d ch	Latest Renunc.			Stock	Otoeing price	+ or
price E dato	dato	Nige	Low		82	_	
370	NII	4.4	98pm	60рл	Bunzi	60pm	
160	F.P.	22/5 10/5	60pm	151	First Castle 10p	12pm 155	,+5
BO	Nit	22/5	180m	5 DIT	Newman-Tonks	Opm	+1
160	F.P.	11/2	122pm	114pm	New Tokyo Inv. Tst. 60p	114 <u>0</u> m	<u>—1</u>
58 65	ÑĨ	24/4	151 <sub>2</sub> 2m	1400	Premior Cons. 50	470m	-1
32	Mit	22/3	2pml	7рп	Renold	7pm	
210	F.P.	21/5	48pm		Royal Bank of Soptland	25 pm	
334	WII	_	14pm		Samuelson Grp. £1	970 6pm	-2-
40	Nii	29/5	17pm	7pm	il-i-Southwest Res. 40p	17pm	
400	Mil	00.5	158pm	125pm	Systems Designors 50	125pm	

**ACTIVE STOCKS OPTIONS** Deal- Declara- Settle-

ings ings tion ment Feb 18 Mar 1 May 20 June 10 BAT Inda. Mar 4 Mar 15 June 13 June 24 Mar 18 Mar 29 June 27 July 8 Fleet Midge, .... For rate indications see end of Share Information Service Share Information Service
Stocks favoured for the call
included John Brown, Monarch
Petroleum, Polly Peck, Exco
International, Barrait Developments, Bestwood, Churchill,
FKI, Charles Raynes, Empire
Stores, Jardine Matheson,
Grovebell, Great Western Resources, Aran Energy, Epicure,
Brovills Europe, Freshbake 208 473. 

WEDNESDAY'S

Heden ..... Reutem 8

ŀ			1	LON	DO	NI	DED OPTIONS								
		,	ALLS			PUTS		<b>!</b>		·	ALLS			PUTS	ı——
Optio	n	Apr.	Jty.	Oot	Apr.	Jly.	Oot	Optio		May	Aug.	Nov.	May	Aug.	Nov.
B.P (*368)	482 460 500 550 600	153 113 75 55 16	117 60 45	125 90 55 33	2 3 5 85 56	5 15 39 60	10 83 40 53	imperial Gp (*211)	180 200 220	51 52 12 2	55 57 25 14	60	8 13 24	5 8 15 28	18 30
Cons. Gold (*509)	460 500 550	57 38 14	77 50 23	85 57 36	90 52	10 28 60	15 37 70	(*373)	530 360 390	55 40 22	87 48 28	53 35	10 88 55	14 28 42	55 48
Courtaulds (*147)	110	31	43 83	1 =	114	2	JE	(*175)	180	512	10	1.5	1.8 20	90 56	22
	190 130 140 180	21 14 8	18 2	25 15	3 5 14	8 17	111	P. & O. (*353)	350 350 860 480	57 20 12 5	48 50 16 10	55 58	29 50 78	13 32 52 80	15 57
Com. Union (*181)	180 180 200 220	28 13 8	28 15 11	80 13	13 27 45	17 28	16 81	Racai (*206)	200 220 240	22 12 5	28 18 11	36 24	11 22 36	18 24 55	16 28
0.E.C. (*200)	150 180 200 200	48 30 15 8	40 26 13	48 62 90	2 8 80	6 14 26	8 18 28	R7.Z. (*652)	550 600 650 700	190 77 46 25	152 60 54 60	64 38	50 50	18 36 65	32 72
Orand Met. (*298)	240 280 500	33 18	42 28	60 57	5 14 38	48 19 20	114	Vaai Reefs (*\$83)	80 60 160	181 <sub>2</sub> 12 51 <sub>4</sub>	22 141 <sub>2</sub> 2 54	171e	24 512 10 12	34 ? 13 81	8 14 —
	530	5	14	20		42	45			Feb.	May	Aug.	Feb.	May	Aug.
(*294)	700 750 800 850 900	102 142 94 62 29	905 155 115 82 60	132 95 60	11e 71 111 27 57	10 15 42 70	23 50 77	Ex.10% 1982 (*£94)	25	354 156 24 25	440 110 110 110 110	4 8 3 8 2 4 1 6 0 6	1 to 1 to 2 to 2 to 2 to 2 to 2 to 2 to	0点 0点 1点 8语	21g 0#6 154 27g
Land Sec. (*293)	260	38	28	50	5	7	10	<u> </u>	98	04	24	Otes	4/61	450	416
	300 330	11,	17 e	22	15	10	23	Opti		Mar.	Jun.	Bept	Mar.	Jun.	Sep'-
Marks & Sp. (*152)	100	25	25	= 1	112	3	Ī	BTR (*641)	700	27	57 17	45 25	27 57	35 75	42 82
	130	14	18	21 18	4	13	11	Beesham (*358)	330 360 590	57 16 4	48 88 11	35 18	12 35	20 40	27 45
Shefi Trans. (*780)	660 650 700	88 I	105 146 25	160 102	9999	4 7 17	14 23	Bass (*509)	460 500 560	50 20 5	78 40 15	88 62 52	18 50	18 85 62	15 50 60
Traffeer Neel	750   500	45 15	55 29	67 37	90 46	28 55	57 58	De Sears (*\$4.45)	550 480 460 500	70 60 25	60 65 45 30	105 90 50 40	18 36 70	14 80 80	80 45 65
Trafigar Nac (*559)	350 350 350 350 390	87 68 41 22 12	71 45 87 14	84 18	3 5 14 54	4 8 60 58	85 40	GKN (*310)	160 180 200 220	54 74 17 5	59 41 26 14	47 51 81	2 4	2 5 10 81	7 12 84
Option		May	Aug.	Nov.	May	Aug.	Nov-	Nanson (*208)	187 200 220 240	24 15 5 21 <sub>2</sub>	87 20 18 5	35 28 10 10	21e   7 17 56	10 28 29	0 15 25 42
BAT Inds. (*361)	260 300 330 360 360	02 72 45 30 15	160 60 60 40 25	57 45	20 42	8 15 28 47	25 40	Jaguar (*829)	260 290 560 350 360	75 56 42 1e	81 51 47 99	88 68 62 36 25	1 1 8 13 56	8 4 0 18 38	7 2 19 52 49
Berdays (*616)	500  1 550 600 650	77 37 14	135 00 60 27	56	8 20 58	3 14 25 37	30 35	Teson (*237) FT-SE Index	200   280   240   1100		36 18 10	23 13	2   16	20   20	12 23
Bt. Telecom (*126)	90	5012 4012 5112 28 15 9	534 4312 3412 2512 18 15	29 15	012 1 113 212 512 1012	1 11 <sub>2</sub> 21 <sub>8</sub> 4 5 121 <sub>8</sub> 121 <sub>2</sub>	10 141 <sub>8</sub>	(*1278)	1125 1160 1175 1800 1230 1300	133 128 103 83 47 80	187 186 115 160 67 40	88 65	2 2 5 11 28 32 3,757.		40 54 60 869.

#### FT-ACTUARIES SHARE INDICES

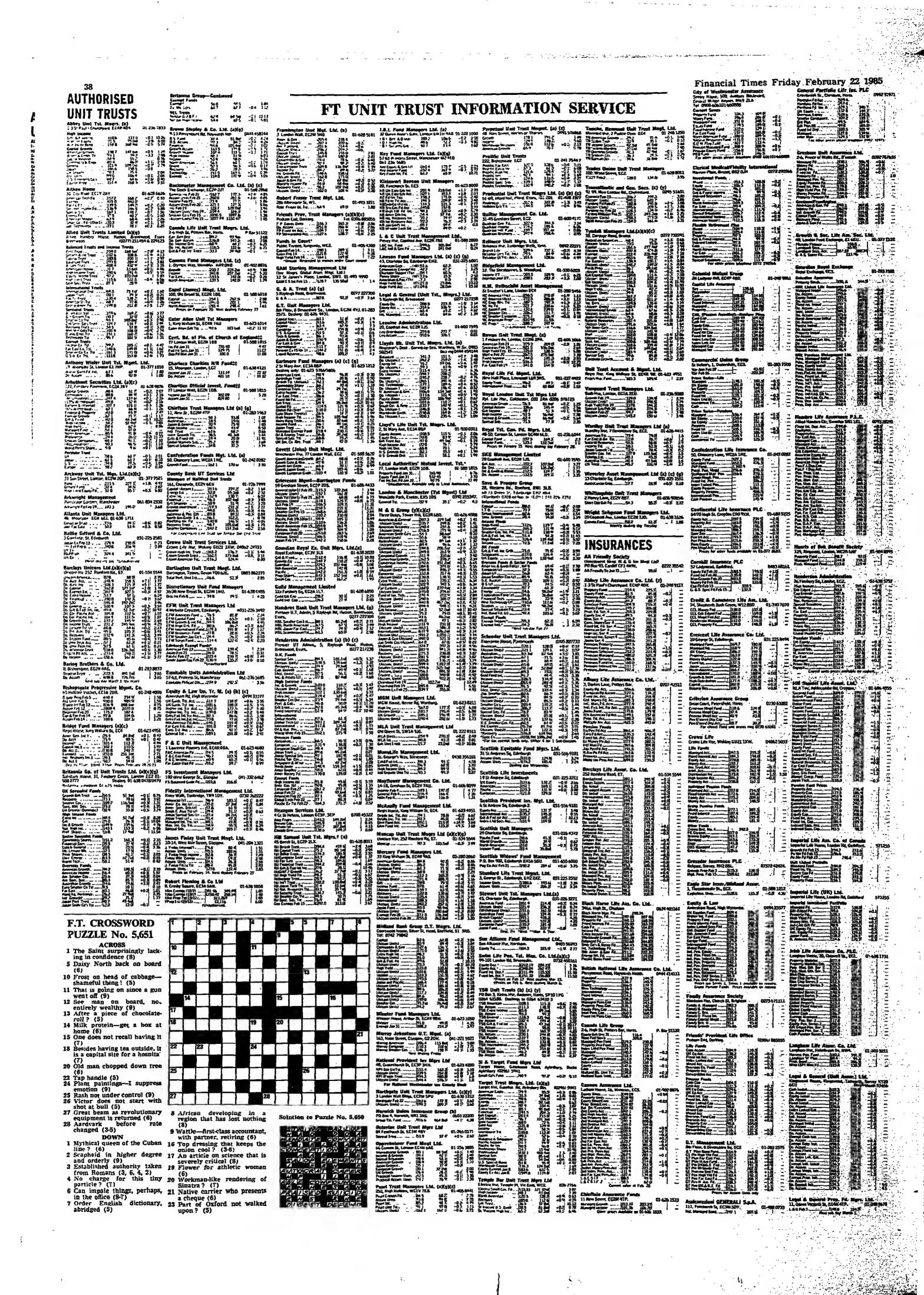
the institute of Actuaries and the Faculty of Actuaries

	EQUITY.				The	r Feb	21	198	<b>5</b>	Wed Feb 20	Ties Feb 19	Nos Feb 18	Feb.	Year age taperer
F	gures in parenthi stocks po	eses show or section		of Ind	ear De Cha	rs Yiel	1 ( ) ( ) ( ) ( ) ( ) ( )	Gross Div. Vielt% (ACT at 30%)	Est. P/E Ratio (Mex)	Index No.	andes No.	freter No.	jadex No.	lodez No.
1	CAPITAL 6001	S (206)		538			87	3.73	12.47	534.52				
2	Building Materia Contracting, Con	ds (23)	(3m)	- 481 705			27	51A 557	9.33	461.56 707.86				
4	Electricals (15)	90 112,00		1528			35	4.89	11.97	1546.18	1544,93	1533.12	1541.53	1675.1
5	Electronics (36)			1718			56	2.83	15.07	1440.22		1457.34		
6	Mechanical Engl			293   181			37	431 7.15	15.47	292.33			250.81	
8	Motors (18)	Lotternal		158			ii	4.78	1123	157.79				
ó	Other Industrial	Materials	(16)	897.			46	3.23	22.18	897.93	908.30	307.89		
2	CONSUMER GA Brewers and Dis			625. 568			37	3.83	12.50 10.40	524.55 547.34				474.4
22	Food Manufactur			533			ЯÌ	4.61	18.66	504.83		587.24		
8	Food Retailing C	(2)		1475		2 6	71	2.56	19.86	1428.65				19727
7	Health and Hous	ehold Pro	ducts (9)	1917 683			40 22	2.61	20.97	1919.46		1993.19		
2	Leisure (23) Newspapers, Put	Victory (	(2)	1696			27	4.40	18.77	1694.03		1430.00	348.71	
2 3	Packaging and P	aper (14)		367,	28 —	12.	20	4.78	4.93	367.29	305.77		308.76	242.7
4 (	Stores (45)			533. 328.		1 7.	<b>#</b>	3.50 4.28	15,82	533.26		533.64 323.34	534.45 326.86	273.3
5	Textiles (19) Tobaccos (3)			150		_ , _		iii	1.27	340.43				
i	OTHER GROUP	B (97)			91 -0.	1   8	84	3.90	14.34	67L62				
2	Chemicals (17)_			831				3.93	11.81	823.97 136.49		\$13.40 178.90	321.10 178.64	597.3 134.8
4	Office Equipment Shipping and Tra	£ (4)	30	1279.			35   39	450	16.00	1073.70		1108.93		064.6
5	Miscellaneous (6	1)	3/	837.		2 7.	78	3.33	15.62	839.17	636.23	837.94	840.39	568.4
š	Telephone Netwo	arks (2) _		776.			62	4.14	15.14	778.06	783.29	780.57	794.50	8.1
9	(NDUSTRIAL C	ROUP (4	13)	623.	-		36	3.87	13.21		629.20		623.47	477.7
1	(Ms (17)			1231		_		429	12,27	1237.62			1239.75 674.71	
9	500 SHARE INC			673.			-	5.00	14.67	443.97	442.84	442.42		381.7
Ţ	FINANCIAL GR	DUP (11:	"	- 6			37	6.18.	6.87	451.33	455.40		459.33	407.0
2	Insurance (Life)	(B)		598.	61 -0.	5 -		4.55	_	601.37	403.43	537.33	446.63	515.97
6	lasserance (Comp	osite) (7)		300.			,,	3.15	19.65	309.69		300.60	334.68	247.42 621.44
7	Insurance (Broke Merchant Banks	75) (6)		1100.			-	457		234.68		235.55	237.20	251.2
B	Property (51)			619.	27 -0.		47	3.57	24.35	628.38	628.50	628.73	427.40	534.3
ō	Other Financial(2			289.		_	08	5.40 3.77	13.32	629.65	288.79 626.69	137 NO	427.97	491.4
1	Investment Trust	s (106)		- 628. 296.				5.12	12.89	299.91	300.31	277.45	384.48	320.2
	Mining Finance ( Overseas Traders	(14)		662			29	6.48	13.49	660,81	662.84		665.51	582.9
•	ALL-SHARE IN	NEX (739	)	614	90 —		- 1	4.29		614.71	633.64	612.20	616.98	469.8
7		<u> </u>		lade No			2	Day's						
┪	FT-SE 180 SHA	E HIDE	K	1274		3 327			=	1275.8	1275.9	1268.7	1241.5	
			•	REST					SE CR	NSS YIELDS		Thur Feb 21	Wed Feb	Year
							<u> </u>		D Cover				-	-
1	PRICE	Ther	Day's	Wed	nd adj.	10 M		Low		years		12.15	11.13	9.50
	MOICES	2	change	Feb 20	today	1985 to date	2	Coupon	. 1	years		18.43	19.56	10.19
•			<del>-</del> -	-			1 3	Madine	. 2	years		17.22	1135	20.24
- 1-	tellish Covernment			115.88		1.07	, ,	Coupe	s 2	years		11.29	11.27	10.65
	years	115.92		125.80	0.21	223	6		,2	years		14.73 12.86	12.65	19.77
ᆲ	-15 years	125.51				164	7	High Couper		years		1148	11.07	10.85
11	ver 15 years	131.92		132.61		0.00	,		2	years		19.62	26.20	19.12
4 4	redeemables	145.27		145.96	6.10	1.06	_	Irredee		-		18.25	18.20	7.73
5 4	Li) stocks	124.91	-0.03	125.95	0.40		끊			5 years. 25 years.		12.85 12.87	18.37	11.46
5	lebentures & Louis	106.70	-0.23	106.94		0.43	13		:.	25 years		12.87	12.00	11.57
+		75.74		75.74		.1.16	14	Prefer				12.%	12.96	11.95
Ш	reference		-		SOVER	MMEAT				_			-	
		_			_		35	alation	- Tale	5%		3.27	3.26	325
J	\K stocks	110.68	-0.22	111.09	0.17	8.63	ī			30%		111 ·	3.19	3.87

Financial Times Friday February 22 1985 11. WACH SOL
17. WARRISON Empth. N. 17. WARRI | 14 | 132 | Call E. Durber | 133 | 147 of 14. | 134 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | OPTIONS --- 3-month call rates | Out | South | Free State Dev. 50c | Substitute | Substit | Substitute | Substitute | Substitute | Substitute | Substitut 

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Financial Times Friday February 22 1985 Mational Prevident Institution 01.4408210 48, Georgiana St. CCV 144 INSURANCE, OVERSEAS & MONEY FUNDS Save & Presper Great 28, Westers Rd, Remigra Rt ran (R.O.C.) Fund Actors do Costa Ltd, 1009 William CAL herestments (Bermosta) Ltd NAV 5424, IOR value US\$70.821.85 Schrader Life Asserance Lid. Morray, Johnstone (Inv. Adviser) 163, Hope St. Gletone, CZ. del Araicable forestme able Life Assce. Sec. 682 556 9201 Tyndail-Guardian
PD Box 1256, Hann
T-G American
T-G Money
T-G Commodity 10. Currying Flant, Bristol.
3-10:20
Dn. Pess.
Enedy
10:31-225 2211 Bowl
11:-0-5
Currying Flant fee.
12:-0-5
Currying Flant
12:-0-5
Currying Flant
12:-0-5
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12:-0-5
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13:-0-5
Currying Flant
14:-0-5
Currying Flant
15:-0-5
Currying Flant
16:-0-5
Curry Landou Life 100, 7 empie St., Bernol, 851 6EA Property Equity & Life Ass. Co.
Enter Ave. Southerd 55260H.
P. San Pan. Bond
Life Life Life Ass. Co.
Enter Ave. Southerd 55260H.
P. San Pan. Bond
Life Life Life Ass. Co.
Life Ass. 0702 333433 | Heading Correct Faint | 109 2 | 109 4 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | ... 4.81 | .. Scottish Mutual Ass 109 St Vierent St. Glasgon 07-480 0406 Holhorn Fand Mingart, (Jersey) Ltd., 28/34 Hd St, St. Helmr, Jersey, US 0534-72356 7223 +45 +67 +67 +67 +67 +67 ·1 = Pens-Property Intl., page Do. Ord.
Do. Ord.
Do. Dra.
Pens. Inter-Cled. Ireland.
Do. Ord.
Pens. Lands lott.
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OFFSIORE AND
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### U.S. oil refiners call for gasoline import controls

A CALL for controls on U.S. oil of quotas and tariffs on product imports was issued imported gasoline. yesterday by 8 group of leading Last week the U.S. imported refiners just as the American 1.8m barrels of refined oil, com-Petroleum Institute (API) was pared with 1.3m barrels of announcing that product crude oil, the API said. Crude imports exceeded crude imports oil stocks were 25m barrels belast week for the first time in low last year at this time with

Speaking for a newly formed coalition of 15 major refiners Mr Charles E. Walker, a prominent Washington consultant, told a press conference increasing gasoline imports had already driven 117 U.S. refineries out of business since 1981 and another 50 might have close by the end of the decade.

"America is rapidly replacing its dependency upon imported crude oil for dependency upon foreign gasoline," he said.

strategic reserves in an emergency.
The refiners say they have invested over \$10m in modernising facilities in the past few

The coalition is seeking years, but not even the most import quotas or a combination efficient plants can compete

315m barrels on hand. Distil-late fuel oil stocks were 7.6m barrels ahead of last year with

133m barrels reported.
The new independent refiners coalition bases its case on the grounds of national security. It says the U.S. no longer has the capacity to meet daily refining requirements should the U.S. have to draw oil from its strategic reserves in an

with foreign gasoline, now heing sold below the price of the artificially high crude

They claim Opec countries can undercut domestic refineries because they control the source of crude oil and need not pay the costs of pollution control and health and safety require-

Mr Walker said nearly one of every 10 gallons of gasoline sold at the pump was imported or made from imported com-ponents. "Opec nations alone will add over im barrels per will add over 1m barrels per day in refining capacity by the end of the year, and a total of 2m barrels per day in new refining capacity by 1988."

He warned that once foreign refineries drive U.S. plants out of business they would be free to dictate product prices to American consumers.

### bank sues

cocoa group

Cogexim, an entirely locally owned private company header by the mayor of Abidian, Emmanuel Dioulo, a prominent political personality, has grown rapidly in recent years in part-

During the 1983-84 season Cogexim - Eximat purchased more than 50,000 tonnes of Early last year Cogexim

### Oilseed industry in **EEC** faces extinction

By Andrew Gowers

THE EUROPEAN oilseed crushing industry is in danger of extinction because of a shortage of raw materials, the head of the European Commission's oilseed division said yesterday. In a paper presented in his absence at Agra-Europe's out-look conference, Sr Giamplero Schiratti said crushers could not increase significantly their ollseed purchases from the world market, and that produc-tion of oilseed within the Community was being undermined

by hadgetary constraints. According to the Dutch commodity board for margarine, fats and oils, EEC oilseed processing fell by 7 per cent to 14.6m tonnes last year, and Sr Schirstii said the decline might continue.

One solution, he suggested was 10 boost Community funds through a tax on oils and fats, an idea proposed several times by the Commission but rejected by ministers.

"The only remedy in our hands lies in increasing Com-munity (oilseed) output . . . This increase must be achieved at a lower cost than is the case today," he said.

Although EEC production of crops such as ollseed rape and sunflowers has increased more than fivefold in the past 11 years—now accounting for 25 per cent of crushings in the Community, compared with only 12.5 per cent in 1973—spending on the sector has grown 11

In tandem with price support for growers, the EEC provides a subsidy to crushers to make up the gap between the artificially high price they pay for Community oilseeds and the world market level. The industry is also free to buy oilseeds on the world market.

But Sr Schiratti pointed out that supplies of raw materials outside the Community had become less secure as Argentina and Brazil had developed their own crushing industries. This meant that they were putting community on Fig. competitive pressure on EEC crushers by exporting cheap soyameal instead of soyabeans.

David Dodwell on how astrology and fear led to record gold sales

### The year Hong Kong went for gold

political uncertainty, perhaps with the year of the rat, but 1984 was a record year for gold sales in Hong Kong—in stark contrast to almost every other major financial centre.

Over the next tran months

major financial centre.

Over the past two months,
Hong Kong has accounted for a
quarter of world sales of
Krugerrands, with demand for
local Tael gold similarly
buoyant The international gold
corporation, marketing arm of the South African Chamber of Mines, has revealed that the one-millionth Krugerrand was sold in Hong Kong in January after five years of being traded in the territory.

For 1984 as a whole, imports of physical gold amounted to 4.45m oz according to the local census and statistics office worth about \$1.86bn. This compares with imports of 990,000 oz in 1983. Officially recorded exports have dwindled from 1.13m oz to 40,000 oz.

It is widely believed that the volume of gold exports is signi-

covert sales to nearby countries of talks over the future of the where gold trading is severely restricted. However, since this covert business has remained steady for several years, the statistics are thought to reflect fairly accurately the increase in

local demand for gold.

While the world dollar price for gold steadily tumbled over the year, Hang Kong investors were persistent buyers. New Krugerrand sales over the year amounted to \$90,421 oz. This added up to 14.8 per cent of aggregate world sales — compared with 4.3 per cent in 1983. — and provides an intriguing insight into this Chinese community of less than 6m people. Mr Joseph Lo, head of Intergold's coin division in Hong Kong, commented: "On a per capita basis, Hong Kong is without question the most important

market in the world."

Almost a third of the demand came in July—a month of extreme political uncertainty as British and Chinese negotiators entered the critical final stage

of talks over the future of the territory when China regains sovereignty in 1997.

It was a month when many local people were thinking hard about packing their bags—and not surprisingly one symptom of that was to buy gold. Krugerrands, more acceptable in Europe and the U.S. than 99 per

cent pure Tael bar, were under-standably in heavy demand.
Gold dealers noted that Hong Kong Chinese—whose habit of hoarding gold against political uncertainty is centuries old-are traditionally heavy buyers in a falling market. A present prices, they evidently see gold as a bargain, whether prices are likely to fall farther or not Another stimulus has been the

r-emergence of gold trading inside mainland China, the ban on gold sales was lifted at the end of 1982, and since then demand has rocketed. As the Chinese currency, the renminbi, has been steadily devalued against the U.S. dollar, so local fears about inflation have diverted interest into gold.

for Hong Kong's gold-buying spree was the idiosyncratic facthat 1984 was the year of the the 60-year cycle of the tradi-tional Chinese calendar, and a "leap" year, with 13 leaser months in it.

This may mean nothing to a western barbarian, but to Hong

western barbarian, but to Hong Kong's conservatively minded Chinese it adds up to one of the most auspictons years possible in which to get married. And of course, when Chinese couples get married, it is reditional that family and friends give them gifts of gold or gold jewellery. With almost 54,000 marriages last year—a 25-year record—the impact on the local market has been consider. gold market has been consider

able.
Sadly for local gold desiers—and perhaps for these in mainland China too—the lunar year just begun, the year of the Ox, is a poor one for marriage. With the political upheavals of 1984 also in the past perhaps the sales boom is about to end.

### World sugar market faces gloomy future, says expert

likely to recover for at least three years, a leading West German commodity analyst said yes- and sugar.

Herr Helmut Ahlfel, managing director of the sugar statis-tics company F. O. Licht, told Agra-Europe's agricultural out-look conference that record stocks would continue to overhang the market for the foreseeable future, while consumption was stagnant and production stubbornly high.

Late last year, free market prices in London hit a 14-year low, but have since recovered

marginally.

Herr Ahlfeld plupointed several factors behind the "severe and prolonged structural decision."

One was the increasing use of cheaper artificial sweeteners, such as isoglucose and aspar-tame, instead of sugar in several Western countries, especially Canada, Japan and the U.S. Production of maize-based isoglucose had risen from zero in the early 1970s to more than 5.3m tonnes last year, while low-

THE world sugar market, now calorie aspartame, now used in in its worst-ever crisis, is unlikely to recover for at least make considerable inroads into the market for both isoglucose

> As a result, sugar consump-tion—now about 97m tonnes— was unlikely to rise to more than 102m tonnes by 1989, and could be significantly less.

> A second factor was record stocks and excess production capacity. Supply, put in F. O. Lich's most recent estimate at 97.424m tonnes, is more or less in balance with demand in 1984-

> But Her Ahlfeld predicted that in August, stocks would be 15m tonnes above what is regarded as the desirable 25 per cent of consumption. They were unlikely to fall for two or three years at least, he added. Meanwhile, world production capacity is estimated at between

115m and 120m tonnes. Herr Ahlfeld said that any fall in EEC production resulting from

# **Ivory Coast**

IVORY COAST'S state-owned Banque Nationale De Developpement Agricole (BNDA) is clalming \$58m (CFA 29bn) from one of the country's largest cocoa and coffee exporters, Cogexim, in a case hrought before a civil tribunal in Ahidjan.

The sum constitutes principal

The sum constitutes principal and interest on money allegedly advanced to Cogexim to finance crop purchases during the 1981-83 seasons.

nership with Eximat.

issued a communique to deny that it was in financial difficul-ties and that it would continue to honour its export sales con-

### European zinc producer price up

BY JOHN EDWARDS, COMMODITIES EDITOR

A RISE IN the European producer price for zinc, from \$006 to \$940 a tonne, was announced yesterday by the UK smelter, A. M. and S. Europe, and Electrolytic Zinc of Australia. The increase, likely to be fol-lowed by other producers, came after a general rize in North American zinc producer prices by 2 cents to 45 cents a lb and the recent surge in London

Metal Exchange zinc values to the highest level for 11 years. The move to \$940 only puts the European zinc producer last October after a series of re ductions last year from a high of \$1,090 to a low of \$900.

Since then the rising value of the dollar has continued to push up prices in European currency terms and helped boost LME values.

The rise in the LME zinc market has also been aggravated by a technical supply "squeeze created by a threatened short-age of standard (good ordinary brand) zinc, on which the LME

plies of spot copper are available. contract is based.
Yesterday cash zinc, in fact, fell by £20,50 to £813 a tonne

on some freer cash offerings, while the three months quotation lost £4.75 to £793.50—after touching a peak of £803—reflecting the sharp fall in copper. impact. Three months higher grade copper dropped to £1,276 at one

stage, before rallying to close at £1,288.25 a tonne, still £22 down on the previous close. The cash price was £26,75 lower at walkout. £1,261.75. The workers, members of Dealers said the sudden de-

cline was triggered off by heavy selling on the New York copper market in front of the forthming last delivery date for the March position.

Speculators evidently decided to take profits after the recent rise and this was only partly

Confirmation that Mount Is Mines has suspended production at its copper/lead/zinc plants in Queensland, following a strike by 1,500 workers, had already been discounted and had little

The strike stopped production of zinc, lead and copper when there was no more material to work with following Tuesday's

Trades and Labour Council affiliated unions, went on strike in support of a power workers strike in Queensland, stopping hoisting operations.

The company, a unit of MIM Holdings, said it could not resume smelting until the workers went back.

port.

The widening of the gap between cash and three months prices was a depressing infloence suggesting that more sup-

27.13 26.64 26.36 26.18 26.12 28.07 26.07 26.41 26.15 26.16

Ciose 298,7 298,1 307,1 306,6 312,2 315,0 320,2 325,6 331,2 337,1 343,3 349,5

Closs 74.00 70.80 69.20 68.75 69.60 70.00

High 301.0 300.0 .203.6 .207.5 313.5 315.7 321.8 326.0

#### Indian diamond import protest

INDIAS diamond traders have suspended indefinitely imports of rough diamonds following "arbitrary" fax raids on traders business premises and the seizure of goods.

The Gem and Jewellery Export Promition Council said traders had refused to take delivery of \$25m of roughs this

An income tax official said the raids were to detect unpaid taxes by diamond traders/

India exported Rs 9bn pro-cessed diamonds in the year to March 1984 and it likely to export Rs 12bn in 1984-85. India imported 31m carsts of

roughs worth Rs 9.01bn in 1983-84 compared with 26m carats

The spokesman said traders had enough stocks of rough diamonds to meet export commouths. Reuter

LIVE HOGE 30,000 lb. cents/lb

#### LONDON MARKETS

London cocos futures continued Wednesday's strong rise in early dealings but failed to hold the gains. Commission house, trade and chartist buying against a background of weaker sterling pushed the May delivery position np to £2,207 a tonne in the morning. But profit taking and hedging sales reversed the trend and the May quotation ended the day only £7 np on balance at £2,185.50 a toune. Ivory Coast physical sales also encouraged the selfing, dealers said.

The coffee market was again featureless and prices traded in a narrow range before ending a few pounds lower. Nearby sugar futures values moved around a dollar a tonne higher before a downturn was triggered by a weak opening in New York. Prices finished marginally lower on the day.

COPPER

COPPER	Official	-	Unofficial	ļ. —
High Orde	£	£	Ł	E
Gash	1278-,5 1252.5	-55.0	1261,6-2 18106	-28 -22
Cash 5 menths Settlem't.	1246-8 1272-5	-54.5	1282-5	-29 -25
That in the grade trad	meming od at £1	thiee ,277,	78, 77.5,	ess of Gir
£1,250, 50 months £1 Grade: Th	.5, 51, 5 .278, 77. rae men	1.5, 5 5, 78. the £	52, \$1.5, Kerb: H 1,280, 79	thre light
81. After months E1 83, 82.5, Kerb: Nig	.280, 21, 82, 87,	81.5, 86,	82, 83, 87, 88,	82.5
£1,231, 90 Turnevar: ducere: 85	89. 98 35.375	. 87.5	5, 87, 86 11.S.	. 87
TIN				

1 114				
TIN	e.m. Official	+ or	p.m. Unofficial	+ 0
High Orde Gash	10045	£ +4.9 +5.0	10035-5 10060 5	-6.5 -5.5
Gash	10045 299.10	+6.5 +10.5 +6.9	_=_	+5.0
Tm	Meming:	_ 00	enderd:	Cae

LEAD

Leed—Morning: Three months £344, 43, 42.5, 42, cash £333, 33.5, 34, three months £342, 43. Kerb: Three months £342, 42.5, Afternoon: Three months £342, 42.5, 43, 42.5, Kerb: Three months £342, Turnovar: 10,000 tonnes. U.S. Spot: 19,00-22.00 cents o pound. ZINC ZINC Official + 87 p.m. + 97 p.m. +

Zinc—High Grade Official/Unofficial ences: Cash om (2809-1281), om 12812-12814. Three months am 1222-1225, om 12815-12820. Seillement: 12811. Moming: Thise months 1798, 39, cash 12810. 11, three months 1798, 39, cash 12810. Korb: Three months 1797, 96, 94.5. Alternoon: Three months 1797, 96, 94.5. Alternoon: Three months 1797, 96, 93.94 95 94. Korb. Thise months 1796, 85, 94.95. Tumever: 11,525 tonnes.

#### MAIN PRICE CHANGES

OODDC:				
Cash h Orade	£1261.76	26,75	£1244	.5
3 mthe	£1288,25	22,9	£1251,	24
Gold tray oz	8299,25	-3,5	#301,	75
Lead Cash	£333	-5.75	£385.	5_
3 mtha		-6.5	£360,	76
Nicke I				
Free Mkt	225/255c	-2 5	229/269	C
Palladium oz	5122,50	-4,50	S122,	25
Platinum oz	8271,00	-3,00	6871,	30
Quicksilver	\$295:306		\$30518	Øδ
Silver troy oz	i5 <b>87.0</b> 0p	-3	1537.71	Dο
3 mths				
Tin cash				
	£10,055,5			
	\$75,68			
Welfram 22 04lb	573/77		556/70	3
Zinc	£613	-20.5	£757	
5 mthe	£793.5	-4,75	£733,1	36
Decelerates	E000		EGOA	

Free Mkt Palladium cz Platinum cz	225/255c -2 S 5122,50 -4.58	S122,25	Malze Wheat Fut. No. 2 Hard
Quicksilver	(\$295:805		OTHERS
Silver troy oz 3 mths 5 mths 5 mths Tungsten Welfram 22 04lb Zinc	585,150—3.25 £10,055,5—2,5 £10,055,5 + 3,0 \$76,68 —2,56 \$73,77 ——————————————————————————————————	£9815 £9758.5 \$83,85 \$66/70	Cocoa Ft. & Coffee Ft. I Cotton A fn Gas Oll Mar Rubber Ikil Sugar (raw Wooltops 6
Producers			# Unquet Feb-March. Zeak. n h

Alumn'm	a.m. Official	+ or	p.m. Unofficia	+
Spot a monthe	£ 1004-6 1089.5-40	£ -7.0 -6,5	10118 1046.7	ï
e1,039, 40 menths E1 Three mos 44, cash	0. 41, 39. 1.040.5, 41 nthe £1,04 £1,012, 8	39.5 , 42. t0, 41	Three m Kerb: 41. Aften I, 41.5, 42 menths C	Th no !, 0

NICKEL		+ or		£ + \$
Spot 3 months	4663-5 4670-1	-21.5 -15.5	4565-70 4685-90	+5.0
£4,665, 72 Three mo Kerb: Thr	k, 75, 75. Josha £4,6 Ba month	80. 70. 7 £4.7	Three rad 75. Alten 75. 85, 90 10, 20, 30	, SE

Month	Yest'days	+ or	Done
Fab	8 per troy ounce		
Feb Aoril Jun	1 = 1	= 1	Ξ

1-18 Krug. Mapieleaf New Sov. 1 <sub>2</sub> New Sov Old Sov.	\$108-60 <del>6</del> 3 \$7112-72 \$1212-4514 \$1114-7234	(£184 4-285) (£145 4-147) (£75 ½-764) (£8012-314) (£264 4-285) (£6-6612) (£59 4-40) (£59 4-674)
520 Eagle		(£4164 415) (£4564 2584

Aluminium .......E1100 .......£1100

mthe	Soyabean (U.S.)   9245     \$25
d Cash	Barley Fut. May £115.90 + 0.50 £118 Malze Wheat Fut. May £115.20 0.50 £118 No. 2 Hard Wint.
cksilver\$295:505,\$296:505	OTHERS
er trey oz	Cocoa Ft. May Coffee Ft. May Coffee Ft. May Coton A findex 58,08e -9.80 70.5 East Rubber (kile) 66p +1 64p Sugar (raw) Wooltops 64s 566pkile -14 514ph
Producers ,5900,	‡ Unquoted. w March, x April. Feb-March. v March-April. † Per 75 Sesk. n Nominal. c Cents e pour

#### ALUMINII

Alumn'm	a,m, Official	+ or	p.m. Unoffic	lali —
Spot 5 months	£ 1004-6 1089.5-40	£ -7.0 -6,5	1011-, 1046,7	2 -5.
Alumini £1,029, 40 menths £1 Three ma 44, ceah 47, 46, 46, 46,5,	1.040.5, 41 othe £1,0 £1,012, to Kerb: Th	39.5 , 42. t0, 41 hroa	. Kerb 41. Aft , 41.5, menths months	: Thro emoo 42, 4 £1,04 £1,04

MICK	E,L			
NICKEL		+ or	£ p.m. Unofficial	£ + 0
Spot 3 months	4663-5 4670-1	-21.5 21.5  15.5	4565-70 4685-90	+6.0 +15.
£4,565, 72 Three mo	1, 75, 75, ontho £4,6	80. 7	Three rac 75. Alten 75. 85. 90 710, 20, 30	100n

#### GOLD

Gald fell belaw \$300 an ounce in the London bullion market yesterday to finish at \$239-239". a fall at \$325 100 m Wednesday's close, it epened at \$3021-303 which proved to be the day'e high and fell away after the epening of New York in megonae to the dellar's firmor used. At eno point it touched a low of \$237-238.

Turnover: Nill (15) lots of 100 troy sunces.

per troy		
Ξ	Ξ	Ξ
N (fine o	unce)	Feb. 20
		N (fine ounce)

per i :	artoa
nthe£1261.76 ~26.75 £1244.5	Copra Phil   \$510v   +10   \$520 Soyabean (U.S.)   \$245
troy oz(8299,25-3,5 #301,75 Cash £333 -5.75£385.5	GRAIN8
mths	Barley Fut. May £113.90 + 0.50 £118. Malze £148.75
inum oz \$271,00 — 3,00 5871,00 kailver \$295:305	OTHERS
r troy oz 587,00p — 5 537,70p mtns 2683,15p — 2.5 553,15p cash £10,855,5 — 2.5 £9815 mtns £10,855,5 + 3.0 £9758,5 gaten \$75,68 — 2.56 \$83,85 fram 22 94b \$73,77 656,70 £813 — 20,5,2737 mtns £793,5 — 4,75 £733,86	Cocca Ft. May Coffee Ft. May Cotton A findex Gas Oil March Rubber (kilo) Sugar (raw) Wooltops 64s Cocca Ft. May C2185,6 + 7 EXUNX C2675,5 - 5.5 E2878 C40 C3275,5 - 5.5 E378 C40 C3275,5 - 5.5 E378 C40 C3275,5 - 7 EXUNX C3275,5 -
Producers - 49006900	‡ Unquoted. w March, x April.

LUMINIUM	SILVER	
nn'm 2.m. + or p.m. + or Official -1	Silver was fixed 3p en out fer epot delivery in the Loods merket yesterdey et 867p. equivalents of the fixing lev	11
1004-5 -7.9 1011-8 -5.76 1003-5-40 -5.5 1046.7 -5.8	agot 615.8c, down 5.4c; the 628.9c, down 5.8c; aix month down 6.56\$ and 12-month 678. 6.25c. The metal opened at (620-623c) and closed at 562-5	7
uminium—Morning: Three months 39, 40, 41, 39, 39.5. Kerb: Three	512c).	
ths £1,040.5, 41, 42, 41. Afternoon: e months £1,040, 41, 41.5, 42, 43, cseh £1,012, three menths £1,043, 45 Kelt Three months £1,043,	Silver Bullion + or LM per fixing price	LI M

HONLE					
	NICKEL	a.m. Official	+ 05	£ p.m. Unofficial	2 + 51 —t
	Spot 3 months	4663-5 4670-1	-21,5  -15,5	4565-70 4685-90	+6.0 +15.1
	Nicket — Morning: Three raenths £4,665, 72, 75, 75, 80, 75. Altemoon: Three months £4,670, 75, 85, 90, 85, Kerb: Three months £4,710, 20, 30, 20,				

Month	Yest'days	+ or	Business Done
	8 per troy ounce	]	
Feb Aorii Jun	!	Ξ	Ξ
	LION (fine or	IUCB)	Feb. 20

	<b>9308-308</b> 4	JEV84 LJ-285)
	515812-1594	(£146'4-147)
	8114 424 <sub>2</sub>	1275 Ja - 7674)
1-18 Krug.		(6801 <sub>2</sub> -811 <sub>4</sub> )
	\$508-60 <b>6</b> %	£284 4 285
New Sav.		(\$£6- <del>66</del> -51
12 New Sov		(£59 <b>L</b> 40)
Old Sov.		(£594, 574)
520 Eagle		(24164 413)
Noble Plat	3272 2824	(£45614 25814
· ·· <del>-</del>		

·Feb.21-f-or ·Month

OYADUALI (D,S.)	IOCHU	*******	PP-10.4
RAINS			
arley Fut, May laize Theat Fut, May lo. 2 Hard Wint.	£148.75 £116.20		£110.70 £147.00 £116.60
THERS			
as Oil March ubber Iklio) ugar (raw)	22186,6 28378,5 38,08e 5233,676 66p 6112,5ux 506pkilo	-5.5 -9.50 +1 +1 -1.5	70,950 5225 64p 2107
# Unqueted.	w March	. × A	pril. 'u

M	SILVER
+ or p.m. + or unofficial -f  £ £ £ £  -7.0 1011-8 -5.76  -5.5 1046.7 -6.0	egot \$15.8c, down 5.4c; three-month 528.9c, down 5.8c; els month 645.05c, down 5.55\$ end 12-month 678.7c, dewn 6.25c. The metal opened at 563-572p (620-622c) sed closed et 562-565p (609-
39.5. Kerb: Thre	
, 42, 41. Afternoon 40, 41, 41.5, 42, 43	SITATE BUILDS IT OF THEE ALOL

### 567.000 -5.90 556.750 -12.2 585.40p -3.25 578.25p -11.7 602.50, -5.05 a635.10p -2.40 -OUNCES. Meming: large 1st ring: three menths 587. 2nd ring: three months 585.5. Kerb: Untraded, Afternoon: large 1st ring: three mentus 578.5. 2nd ring: three months 580, 79, 78. Kerb: large three

	months 679.
hs.	COCOA
n:	Futures moved £25.00 higher ti
₽.	the dues but eased during the aft
۵.	noon assalon to and an active of
8.	at the lower and of the trading min
	Physical activity was limited to il
	producer effering end acale dewn co
	sumer pries fixing, reports Cill s
	Oulius.

o gaus.			
OOCOA	Yesterday's Close	+ or	Busine
	£ per tonne		Done
May July Sept Doc	2184 9185 2185 2186 2170 2171 9152 2153 2007 2008 1995 2000 1986 1997	+7.0 +7.0 +4.0 +0.5	2247-21 2190-21
Sales: 5,9 ICCO inc	12 (6,788) id dicator price . Oally pri	ts of 10	S. cen1

COFFEE

Saltr: 2,701 (2,250) lots of 5 tonnes. ICO indicator prices (U.S. cents per pound) ler Feb 20: Comp deily 1979 131.01 (131.63); 15-day average 134.72 (135.08).

### INDICES

FINANCIAL TIMES Feb. 20|Feb. 19|With ago Year ago 296,23 295,87 297,35 891,16

### REUTERS

Feb. 21 Feb. 20 of th ago Year ago 2022,8 2027.0 2003,4 1963.5 MOODY'S reb. 20 Feb. 19 With ago, Year ago

964,7 \$62,8 - 1951,1 (Base: December 31 1931 - 1001 DOW JONES Dow | Feb. | Feb. | Month Year Jones 20 | 12 | age | ago Spot | 120.67 120.76; - | 158.01 Fut | NIA | NIA | - | 140.21

(Base: Occamber 31 1974 - 100)

GR	AINS			
WHEA	T·		BA	RLEY
Mnth	Yesterd'y close	* + or	Yesterdy close	+ or
Mar May July Sept.,	111,55 115,20 118,85 25,80	-0.25 -0.85 +0.50 +0.40		+0.55
Nov	99,75	+0.25	29.75 103,50	+0.25 +0.70

Business done — Wheet: March 112.00-1.50, Mey 118.50-8.16, July 115.00-8.50, Sept 96.80-8.50, Nov 98.75-2.60, Jan 103.30 ooly. Sales: 574 lots of 100 tennes. Bariey: March 112.60-2.10, May 115.90-5.50, Sept 98.40.5.25, Nov 99.75-9.60, Jen 103.30 enly. Sales: 234 lots of 100 tennes. LONDON ORANS—Wheet: U.S. Dark northern apring No. 1 14 per cent, March 180.50. April/May 157.65, June 168.25, transhipment East Coest. U.S. No. 2 eoft red winters, Merch 181.73, April 182.50, May 182.75, EEC French, July 115.50 seller, English feed fob Oct 99.75, Merch 117.50, April 115.50 seller East Coest. Meise: U.S. No. 3 Yellow/French, Merch 148.75, transhipment East Coest. Meise: English feed feb. Seet 48. Merch 114, April 115.50, sellere East Coest. Rest unquoted.

HGCA — Locational ex-farm spot rices: Feed Whest: S. East 112,10, V. Midlands 110,10, N. West 111,50, sed Barley: W. Midlands 111,00, L. West 108,50. The UK monetary co-ficient for the week beginning Mon-ay, February 25, will change to 1,028.

### **PIGMEAT**

D. per kilo (deadweight) | 108.20 | 108.00 | 108.29-107.00 | 108.29-107.00 | 108.29-107.00 | 108.10-108.00 | 108.10-108.00 | 108.00-108.70-108.50 | 108.60 | 108.70-108.50 | 108.60 | 108.40-108.60 | 108.40-108.60 | 108.40-108.60 | 108.60 | 108.40-108.60 | 108.40-108.60 | 108.40-108.60 | 108.40-108.60 | 108.40-108.60 | 108.40-108.60 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40-108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 108.40 | 10 Sales: 105 (59) lets at 50 cercage: 3,250 kg.

### **POTATOES** The market sew a quiet routine trade, closing alightly savier, reports Celey and Harper. Sales: 176 (398) lots of 40 tonnes.

# 

demand and very traited supply con-tinued for prompt gas oil with remina-talk at 252-254 cif North Vilost Europe. March prices remained stable and the market was uneasy led by fears of a non EEC March 2lut, and a subse-quent price fall. Heavy fuel prices firmed a coffer on renewed demands from the UK CEGS after Wednesday's collepso in the miners peacetalks, Patreleum Argus, Landon.

SPOT PRICES CRUDE OIL-FOB (\$ per barrel)

Busines Yest'day's + or Close | —

### PHYSICALS — The London market opened unchanged, ettracted as interest throughout the day end closed hactive, reports Lawis and Peet. Cloeing prices (buyers) 66.00p (same), Merch 75.00p (74.50), April 75.00p (75.25p). The Kusla Lumpur Fab fob price for RSS No. 1 was — (—) cents a kg and fos SMR 20 was — (—). SOYABEAN MEAL The market opened unchanged in very active timbing conditions, reports T. O. Roddick. Ouring the atternoon tession the market continued to ease emid heavy shipper trading.

145.2-148.5 — 0.29; 143.5-145.4 136.8-140.5 — 0.40; 140.5-140.4 140.8-141.5 — 0.46; 141.2-140.8 146.8-146.8 — 0.45; 151.5-151.5 156.8-168.5 — 0.25; 151.5-151.5 156.8-168.5 — 0.25; 153.5-156.5

# LONDON DAILY PRICE—Raw auger \$112.90 (£103.50), enchanged (up £0.50) e tonne for Fab/Merch/April dalivery. White auger \$137.50, unchanged.

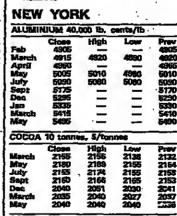
SUGAR

Mey...... 161,8-162,8 | 161.0-165,0 -Sales: 1,656 (2,122) lots of 50 tonnes. Tate & Lyle delivery orice for granu-lated besis augar was £211.50 (£210.50) a tonne for export.

### U.S. MARKETS

Precious metals moved sharply lower trading off lower currencies with little or no fundamental change in outlook in prespect, reports Heinold Commodities. Copper-traded again sharply lower as arbitrage selling became the dominant force in the market. The market is being supported by scale down buying as total stock positions con-tinue to decline. Aluminium was moderately lower on fur-ther liquidation of long positions, Sugar opened weak, but rallied later on support from the Gudian tender and closed only nominally lower. Heating oil traded higher on strength derived from gaso-line prices. Cotton declined reflecting the strength of the

U.S. dollar and lagging world demand. Coffce strengthened on short covering and roaster buying. Cocoa was slightly higher on light manufacturer inquirles and buying of physicals. Soyabean weakened following heavy selling in soyaoil precipitated by a significant increase in regis-trations which normally signal heavy deliveries in the **NEW YORK** 



OTHER MARKETS

MEAT

Close 170.45 171.30 171.45 169.60 168.60 168.60 168.60 Close High Low
170.45 77.16 89.50
May 171.36 72.00 71.00
Sept 171.46 71.90 71.00
New 169.60 69.75
Jan 168.60 — March 168.60 — May 168.60
PLATINUM 50 troy oz, 3/troy oz Prev 2132 2154 2153 2153 2041 2037 556 Close 248.0 258.0 258.0 273.3 278.1 285.9 273.0 278.0 278.0 284.0 290.0 Feb Merch April July Oct Jan SILVER 5,000 tray oz, car Close 606.2 607.0 611.3 616.8 626.4 636.9 653.3 653.1 670.8 683.2 COFFEE "C" \$7,000 lb, cents/lb High 607.0 618.0 Close
Feb 606.2
March 607.0
April 611.3
May 615.8
July 625.4
Sept 635.9
Jun 652.1
March 670.8
May 683.2
SUGAR WORLD
cents/ib
Close Close 143.00 141.77 140.93 139.88 138.86 137.75 136.51 134.76 1.5w 41,76 40,00 38,20 38,20 37,20 36,50 High 43,35 41,90 41,00 38,50 38,50 37,76 Prev 41.79 40.01 38.53 38.63 37.56 36.36 36.26 34.25 627.0 637.0 647.B 663.0 COPPER 25,000 ib. cents/ib

614.0 623.0 635.0 652.0 March May July Sept Oct Jap Merch May July 4.01 4.21 4.53 4.77 4.99 5.43 5.97 4.20

#### 125.0-131.0. Lamb: English small 76.0. 84.0, medium 72.0-80.0, heovy 68.0-70.0; 84.0, medium 72.0-50.0, neory 05.0-70.0-1 (raported: Mew Zeeland PL (usw. easson) 70.0-70.5, PL (old seesson) 67.5-88.0, PX (old seesson) 67.5-88.0, PX (old seesson) 67.5-88.0, PX (old seesson) 67.5-88.0, PX (old seesson) 67.0-88.0, PX (old seesson) 67.0

SPOT PRICES—Chicago loosa larg 23.50 (24.00) cants per pound. New York tin 491.0-511.0 (494.0-512.0) cants per pound. Handy and Harman salver builton 808.0 (621.0) cents per troy COTTON Sect and shipment eales in Liverpool amounted to 54 tonnes, bringing
the total for the week as far to 380
tonnes, Business remained at a low
abb in view of the persisting currency
uncertainties, Occasional enquiries
were in evidence and a modest volume
of business was erranged in Middle

26.14 GOLD 100 troy oz.\$/troy oz Prov 303.5 304.0 306.0 310.5 315.1 319.9 326.1 330.5 336.1 342.0 348.0 348.6 354.6 Prev 73.72 71.08 69.34 68.88 69.30 69.40 Low 73.40 70.70 69.20 68.65 69.10 March 74.00 74.25 73.40 7.
April 70.80 71.45 70.70 7.
May 69.20 69.80 69.20 69.
June 68.75 69.35 68.65 69.
July 69.50 68.66 69.10 68.
August 70.00 68.66 69.10 68.
Close Migh Laws SOYABFANS 5.000 bu min March May July Augus Sept Nov Jen March March High Low 71.16 e0.50 72.00 71.00 71.95 66.75 Prev 63-25 70-75 70-50 68-06 68-00 68-15 68-00 258.0 274.2 280.5 280.0 SOYABEAN OIL 60,000 lb, cents/ft Closs 28.40 27.35 26.67 26.23 25.72 25.72 24.60 24.46 Previ 21.49 27.50 26.60 26.07 25.50 26.25 24 (3 24.30 March May July Augur Sept Oct Dec Jen Close 348,2 337,8 329,4 329,4 389,6 344,0

### **WOOL FUTURES** LONDON NEW ZEALAND CROSS-BREDS—Close (In order buyer, seller, bosiness). New Zealand center per gr. March 508, 51, 511-510, May 578, 20, 521-520; Aug 588, 540, 541-538, 0ct 539, 542, 543-541, Dec 541-538, 544-543; Jan 542, 545, 546,544; March 550, 553, 553-552, May 565, 558, 557, Aug 568, 568, 569, Sales: 78. Aug 568, 568, 568. Sales: 78. SYDNEY (SHEAST WOOL—Close (Inorder buyer, selfer business). Austirelian came per kg. March 552.0, 563.0, 583.0,580.0; May 583.0, 500.0, 500.0, 589.0; July 504.0, 565.0, 305.0,565.0, 500.0, 501.0-599.5; March 500.0, 810.0, 501.0, 489 503.0, 515.0, nil: July 815.0, \$18.0, nil. Sales: 58.

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#### **CURRENCIES** MONEY and CAPITAL MARKETS

SYSTEMTREND FOREIGN EXCHANGES FINANCIAL FUTURES : LIMITED Dollar continues to improve on Wednesday. There was no in-tervention by the Bundesbank at the fixing and little sign of any open market activity with dealers agreeing that interven-tion at the mament would have little effect. Gilts higher **6 MONTHS PERFORMANCE** It may have been a different story for gilt futures today, had the London International Financial Futures Market not closed before a late reversal by sterling on the foreign exchanges. But March delivery gilts finished at the day's peak of 103-29 on late short covering after signs of earlier weakness. The contract opened at 103-20, and tried to move lower without gaining much momentum. Traders were worried by the weakness of U.S. Three-month sterling for March delivery was infinenced by similar factors, but did not benefit quite as much as gilt The dollar rose to record highs in currency markets yesterday as demand cootinued on a wave STERLING — Trading range against the dollar in 1964-85 is 1.4940 to 1.0620, January average 1.1274. Exchange rate index 71.7 up from an opening level of 71.4 and Wednesday's close of 71.4. The six months ago figure was 78.4. DM 3.82 on Wednesday but was well down from the day's high of DM 3.6473, as demand continued on a wave of buillsh sentiment. As thoughts of lower U.S. interest rates receded, following Wednesday's testimony to Congress by Mr Poul Volcker, Federal Reserve board chairman, so the dollar was bld higher, and news later in the day of an upward revision in the U.S. fourth quarter GNP figures gave it further impetus. With no significant downward correction so far this month however the market was starting to become o little besitant of running too long dollar positions.

It rose to a 13½ year high of US DOLLAR GAIN: In later trading the dellar was quated above DM 3.35. Elsewhere sterling rose to DM 3.6390 from DM 3.6300 and the Swiss franc was bigher at DM 1.1849 from DM 1.1806. Within the EMS the Beigham franc was higher at DM 4.9770 from DM 4.9780 per BFr 100 while the Dutch guilder slipped to DM 88.22 per FI 100 from DM 88.32. +17.3% It rose against the French franc to FFr 11.11 from FFr 11.07 but outside the EMS it fell to Y283.25 from Y283.75 and SwFr 3.0625 from SwFr 3.0650. STERLING GAIN: +38.2%\* Sterling fell to a record clossing low against the dollar of \$\$L0815-1.0825, down 40 points from Wednesday. The fall came quite late in the day in reaction to the dollar's strong advance and although its index finished higher on the day, sterling had lost over half a cent and more than one pfennig from the levels prevailing at the closing calculetion. Against the D-mark it rose to DM 3.6325 from DM 3.3480 up from DM 3.8232 Net Asset Value per Share 7 August 1984\*\* 7 February 1985 Three-mouth sterling for March delivery was influenced by similar factors, but did not benefit quite as much as gilt futures in e late recovery. \$9.50 \$11.14 (unaudited) worried by the weakness of U.S. bond prices svernight and by the very strong dollar, with both events stemming from the comments made by Mr Paul Valcker, chairman of the Federal Reservo Board, in his testimony to Coogress, when he tended to dash any hopes of a further easing Persons whose ordinary business it is in buy and sell securities (whether as principal or as an agent) may obtain copies of the latest financial report from the Sales Agents:-March Eurodollars tested support at around 90.50, oo Mr running too long dollar positions.

It rose to a 13½ year high of DM 3.3560 from DM 3.3560 and SwFr 2.8270 from SwFr 2.8215. It was only slightly firmer against the yen, however, at Y261.80 from Y261.80 but climbed to a record FFr 10.2625 compared with FFr 10.1925. On Bank of England figures, its index rose to a record 153.3 from 152.7. The Australian dollar recovered quite well from its sbarp decline earlier this week and the U.S. dollar fell to A\$1.3938 from A\$1.4685. The Capedian dollar was weak, however, falling to a record low of 73.17 U.S. cents from 74.04 U.S. Rouse Woodstock Limited Volckers statement and the GNP data, and closed at 90.56 com-International House, Ferrohaus, pared with 90.71 previously. 1 St. Katharine's Way, Bellerivestrasse 34, 8008 Zurich, Switzerland, Tel: 01-2528200 London El 91 IN. U.S. TREASURY BONDS 6% \$100.000 32nds of 700% EMS EUROPEAN CURRENCY UNIT RATES LONDON Tet: 01-481 2121 THREE-MONTH EURODOLLAR Sim points at 100% Telex: 815977 RW0 CH Teles: 8950831/0 Close High Low Prev March 70-12 70-23 70-07 71-08 June 88-12 88-19 89-11 70-08 Estimated volume 2,477 (1,516) Previous day's open int 2,317 (2,486) Based on closing exchange rates on the respective dates. . March Close High Low Prev June 93.81 98.82 98.75 38.98 Sept 93.8 93.95 99.22 83.45 Dec 83.86 98.92 98.79 29.01 March 84.0 — — 88.86 Estimated volume 9.243 (5,382) Previous day's open int 14,767 (14,633) \*\* Date of inception of the fund. f in New York Beiglen Franc ...
Derhish Krone ...
Dermeo D-Mark
Franch Franc ...
Dutch Guilder ...
Irish Punt .....
Italian Lim ..... 44,7250 7,97200 2,22526 6,81276 2,52268 0,714967 1362,95 +3.19 -1.50 -0.11 -5.32 +0.45 -0.90 This advertisement has been placed by Rouse Woodstock Limited, Licensed Dealer in Securities February 21 Pres. olose CHICAGO \$1,0016-1,0020 \$1,0016-1,0020 0,46-0,45pm 0,46-0,45pm 1,22-1,18pm 1,21-1,18pm 2,00-1,00pm 12,14-2,04pm U.S. TREASURY BONDS (CBT) 8% \$100,000 32nds of 100% THREE-MONTH STERLING ever. falling to a record low of 73.17 U.S. cents from 74.04 U.S. cents on Wednesday. Close High
serch 86.51 96.53
June 86.00 98.15
Sept 86.63 86.70
Oec 86.58 86.75 56
Mannh 86.59 86.55 56
Mannh 86.59 86.55 56
June 86.00 98.45 56
June 86.00 98.45 56
June 86.00 98.45 56
June 98.45 56 FOREXTREND Indian dia Changes are for Ecu, therefore week currency. Adjustment cale Art Galleries Low Prev 96.38 96.54 87.90 96.19 88.80 98.65 98.59 83.60 (1,884) 6,363 (6,427) Forward promiums and discounts agoli to the U.S. daller, THE CURRENCY FORECASTING SYSTEM AGNEW GALLERY, 43. Old Bond St., W 01-629 6176. PETER BROOK—Yorkshir Landscapes, Until O March. Mon.-Fr 9.30-8.30; Thurs. until 6.30, import page With an IBM PC or compatible computer, Forextmed will help you get your currency decisions right. Designed and groves auccessful by leading currency managers. POUND SPOT-FORWARD AGAINST POUND DOLLAR SPOT-FORWARD AGAINST DOLLAR Feb 21 | 1.0905 | 1.0915 | 1.0925 | 0.48-0.44c pm | 1.4905 | 1.4790-1.4829 | 0.50-0.40c pm | 1.35 | 1.10-0.57pm | 1.30-1.201 | 1.30-1.201 | 1.30-1.201 | 1.30-1.201 | 1.30-1.201 | 1.30-1.201 | 1.30-1.201 | 1.30-1.201 | 1.30-1.201 | 1.30-1.201 | 1.30-1.301 | 1.30-1.302 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1.32-1.300 | 1. 1.0815-1.0905 0.9286-0.9240 1.3880-1.3705 3.7750-3.8075 66.95-67-40 1.0815-1.0906
1.4780-1.4905
4.11-4.132
72.50-73.90
1.2.98-13.054
1.1655-1.7715
8.621-3.454
1.864-2001
2.267-2.769
10.35-10.41
11.109-10.257
2.27-2.269
10.35-10.41
11.109-11.17
10.19-10.257
2.27-2.356
10.51-3.08
10.51-3.08 Clubs Ciose One month
5 1.0515-1.0525 O.M-0.444 pm
0 0.3288-0.9278 O.M-0.444 pm
6 1.2462-1.3672 O.M-0.346 pm
6 1.2462-1.3672 O.15-0.186 dis
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1811-183 O.2-0.7771 pm
250-6502 die
184.8-185.00
2.065-2.086 9.57-0.571 pm
250-6502 die
257-0.572 dis
1-2-3-10-281 49-56 dis
27-3-0-78 dis
1-2-3-0-8-186 O.52-0.489 pm
1-2-3-5-2.553 pm p.a. months
5.15 7.23-1.19pm
5.55 1.30-1.05pm
-1.45 0.58-0.81dis
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-1.73 25-27dis
-1.00 21-4dis
2.85 2.89-2.54pm
-28.30 850-1450d
-3.38 150-165dis
-3.46 77-8dis
-2.02 2.20-6.50dis
-5.42 12-127dis
2.29 1.53-1.35pm
2.04 157-131.pm
2.02 2.47-2.41pm
3.02 2.47-2.41pm Telephone or write to: Forestiz (UK) Limited 86-00 4.45 2.80 8.54 2.99 45-01 86-01 March 103-29 103-29 103-10 103-22
June 104-14 104-14 103-27 104-04
Gept 107-22 — 107-22
Des 107-21 — 107-22
Des 107-21 — 107-22
Estimated volume 3,282 (2,695)
Fravious day's open int 5,915 (5,510)
Basis quote (clean casb price of 131 %
Tmasury 2003 less equivalent price of rear futures contract) —8 to par (32nds) EVE has outlined the others because of policy or last glav and value for money Supper from 10-3.30 am. Disco and to musicians. Otherorous bestesses. excitin Boorshows. 729. Regent Sc. 01-734 0357 U.S. TREASURY BILLS (IMM) Sim points of 100% 11,90',-12,02', Gar. 13300-33570 5.8535-3.3565 0.82-0.77pf pm 2.85 2.85-2.64pm tugal 181-183 151-183 250-650c dia 28.33 550-1450d 2.9 1 184,00-185.25 184,85-185.00 48-55c dia 28.33 150-1450d 2.9 1 2.000-2.087 2.005-2.086 21.85 tire dia 28.33 150-145dia 27.271.dia 27.27 Company Notices THE ROYAL BANK OF CANADA DIVIDEND NO. 390 DIVIDEND NO. 390

Notice is hereby given that a Dividend of 50 cents per share upon the paid up common shares of this Bank has been declared for the current quarter and will be possible at the Bank and its branches on orafter 22nd February 1965 to shareholders on record at the close of business on 24th January 1985. PROVINCE OF NEWFOUNDLAND 9% 1977/1909 US\$50.000,000 90.87 90.15 89.62 89.20 Purpuset to the terms and conditions of the Bonds, notice is hereby piven to Bondsholders that, during the twelve-month period ending February 14 1903 no Bonds have been purchased for the Purchase Fund. OTHER CURRENCIES **CURRENCY RATES CURRENCY MOVEMENTS** DELITSCHE MARKS DM 125,000 \$ per DM Bank Special European rata Orawing Currency 2 Rights Unit THREE MONTH EURODOLLAR (IMM) Outstanding amount: US\$42,547,000. Luxembourg, February 22 1085 Close High Low Frav 0.2960 6.3002 0.2965 0.3006 0.3014 — 0.3029 Note Rate By order of the Board Starling 0.6806.52
U.S.S. 8 0.6806.52
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Irish Sunt. 123, 1.08345 25.55.85.65.73.99 12.96-73.99 12.96-73.99 12.96-73.99 12.96-73.99 12.96-73.99 22.55.25.76 10.9-4.101.9-4.101.9-4.101.9-4.101.9-2.13 196-205.10.95-10.9 9eb.21 The Fiscal Agent
KREDIETBANK
S.A. Lucembourgeoise June 0.3014 — — Estimeted volume 38 (18) Previous day's open int 289 (289) R.J. Moores, Vice President & Secretary 71.7 153.5 89.5 108.4 87.3 76.1 118.5 133.7 108.4 62.7 45.4 154.2 -18.4 +57.8 -5.5 +3.5 -10.9 -8.1 +6.4 +2.0 -16.8 -14.7 +13.2 SWISS FRANCS SWFr 125,000 5 per SWFr March 0.3642 0.3642 0.3637 0.3650 June 0.3675 — 0.3560 COMMERZBANK OVERSEAS FINANCE N. V. Deitsohe mark.... Swiss franc...... Guilder Franch franc..... fune 0.3675 .... (Estimated volume 7 (nil) Pravious day's open int 136 (136) U.S.\$ 100,000,000 STERLING (IMM) Se per E Letast High 1.0850 1.0855 1.0755 1.0750 1.0730 1.0730 1,0720 1.0720 Floating Rate Notes Due 1989 SAPANESE YES YTZ.5m \$ per Y100 Closs High Low Prev 1.3836 — 0.3835 — 0.3836 — 0.3836 — 0.3836 — 0.3864 trimstate volume p.B. (nit) revious day's open bit 117 (117) In accordance with the provisions of the Notes notice is hereby given that for the three months period from February 21, 1985 to May 21, 1985 the Notes will carry an interest rate of 91/8% per † Correction: Australiao dollar mts for February 19 was 1.5735 to 1.5820 against eterling. Morgan Guaranty changes: average 7800-1982=100, Bank of England Index GNMA (CST) 5% \$100,000 32nds of 100% annum with a coupon amount of U.S.\$ 225.59. \*C\$/SDR rate for Feb 20; 1,29650. (base swarage 7575=100). FT-SE 100 INDEX E25 per full Jades point High Low 69-13 69-08 68-22 69-18 Frankfurt/Main, February 1985 Prev E3-17 58-26 68-06 67-20 **EXCHANGE CROSS RATES COMMERZBANK** Atarch 127.40 127.50 126.30 127.20 June 127.70 127.50 127.70 127.50 Sept 128.60 127.70 127.80 Estimated volume 265 (373) Found Stirling U.S. Dollar | Deutsonem k J'panesa Yon FrenchFranc Swiss Franc | Dutch Gbild Itelian Lira Canada Dollar Belgian Franc 11,11 3.356 Estimated volume 265 (373) Previous day's open int 1,598 (533) 261.9 1,481 72.95 Jepanese You 1,000 .. 3.530 77.58 1000, 10.61 14,68 6,227 267.6 French Franc 10 Swiss Franc 3,270 1,166 10. 888,5 1,838 0,485 S WORLD VALUE OF THE DOLLAR Dutch Glider Italian Ura 1000 0.744 1000 0,550 1,826 4,198 Solgian Franc 100 BANK OF AMERICA NT & SA, ECONOMICS DEPARTMENT, LONDON EURO-CURRENCY INTEREST RATES (Market closing rates) Hallan Lira Yon The table below gives the rates of exchange for the U.S. dollar against various currencles as of Wednesday, February 20, 1985. The exchange rates listed are middle rates between buying and setting rates as quoted between banks, unless otherwise indicated. All correncles are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular 104-11 104-11 104-11 104-11 104-114 114-114 10% 10% 10% 10% 10% 10% 10% 10% 10% 11 10% 11 10% 11% 754.84 012.10 104 1354 1076-1144 11-1112 114 1134 sactions. Bank of America NT & SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT & SA nor the Financial Times assume responsibility for errors. Asian \$ (closing rates in Singapore): Short-term \$1-85 per cent; seven days \$14-514, per cent; das month \$1-84 per cent; three months \$-95 per cent; sho short-term \$10-114 per cent; one year 104-104, per cent. Long-term Eurodollers; two years 105-114 per cent; one years 114-117 per cent; one year 104-104, per cent; four years 114-12 per cent nominal. Short-term rates are call for U.S. dollars and Japaness yen; others two days' active. Bank of America, Economics Dept., E.M.E.A. London Eurodolfar Libor as of February 20 at 11.00 a.m. 3 months: 9% 6 months: 9% ECU = US\$ .670243 SDR1 = US\$ .959794 Sibor as of February 20 at 17.00 a.m. 3 months: 91 6 months: 91 MONEY MARKETS = VALUE OF VALUE OF COUNTRY COUNTRY CURRENCY CURRENCY COUNTRY CURRENCY 5n,50 9,2508 5,28 10,135 183,20 99,818 8,70 84,48 1,470 93,339 182,50 London longer term rates higher Afghani (0) Poru Andorra The important three-month interbank rate finished unchanged 5t 13f-14 per cent, and three-month eligibls bank bills in band 1 (up to 14 days were also steady at 13f-13f bid on the London money market yesterdoy, but expectations of any cut in bank base rates receded further following the statement of Mr Paul Voicker, Firther belp of £175m was 13f per cent.

Tight by way of £11m bank bills in band 1 at 13f per cent; £19m bank bills in band 2 at 13f per cent; £25m Treasury bills cent; £12m bank bills in band 2 at 13f per cent; £25m Treasury bills cent; £12m bank bills in band 2 at 13f per cent; £25m Treasury bills in band 2 at 13f per cent; £12m bank bills in band Kwanza E. Caribbean New Peso (c) Dollar Schilling Port. Escudo on, lie de la Dolfer Oliser Sp. Paceta Taka Doller Franc (F) Doller C.F.A. Franc Doller Leu (O) Franc Krona Rupee Ruplah Riai ioi 49.04 12.97 1090.00 93.9266 0.5109 0.957e 725.80 9351.65 506,75 E. Caribi Carlbbean & yesterdoy, but expectations of any cut in bank base rates receded further following the statement of Mr Paul Volcker, chairman of the Federal Reserve March 11 and March 12, at amounts on the same d at the same rate as given before lunch, when the zuthorities bought £51m bills was provided, including £162m outright, through £8m bank bills bulls bought outright, by way of £100m was also given. at the same rate as in the Board, on Wednesday, and longer term rates rose quite C.F.A. Franc Raudi Arabia It was an uncomfortable day MONEY RATES 15,4169 for the market, and the larfis C.F.A. Franc GITTA LOC shortage was concentrated out-Frankfurt, Paris . | Zurich | Amst'dam | Tokyo : Milan : Brussels , Dublin 103-103-103-103-105-103-105-103-10-1-1013 11.0 10\(\frac{1}{2}\) 10\(\frac{1}2\) 10\(\frac{1}{2}\) 10\(\frac{1}2\) 10\(\frac{1}2\) 10\(\frac{1}2\) 10\(\frac{1}2\) 514 514-7 0.05195 134-10 11.0 6,40696 : 164-15 101-101 507.75 1.3509 183.80 89.2698 0.838 507.75 507.75 161.44 2.8334 UK clearing banks base lending rate 14 per cent since January 28 - C.F.A. Franc - Dollar - Sp. Peseta - Escudo meroun Rp. ao Ppis O. Rep. - Kig 7.71 672.7 6,84875 164-161 534-576 Span Ports in N. 183,20 \$5.60e 9.50 1.783 1.9869 9.3605 2.213 3.686 Rupee Pound (10) Guilder 104 side the discount house sector, where it was difficult to deal with Another large shortage is Discount Houses Deposit and Bill Rates 8,1110 697,852 182,50 1,5954 LONDON MONEY RATES expected today, but with a large bill repurchase agreement un-182,50 1,5954 2,5633 8,95 7,05 507,75 1,8841 10,165 07,18 16,87 901,06 13,155 10,155 3,3665 2,70 winding more bills will be svail-able, and these are in very short Colon Peso Pound\* Koruna (O) (Suy Dollar (O) 18-17 apply at present. vernight... Franc Ouguiye Rupee Peso (d) Peso (e) Fr. Franc Fr. Franc Tugrik (o) E. Carlbbe The Bank of England initially forecast a money market short-age of fibn, but later revised ortice | 14-144 | 14-144 | 14-144 | 14-144 | 14-144 | 14-144 | 14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-14-144 | 15-144 | 15-144 | 15-144 | 15-144 | 15-144 | 15-144 | 15-144 | 15-144 14-144 1834 184 184 184 154 154 154 Peso (d) this to £900m. Total belp of Sucra (0,0) Score(d) Sucre(f) £810m was provided. In an early round of assist-ance the Bank of England bought £338m bills, including £33m out-54e,60 181 Inited Arab Emir. Nirham Jtd. Kingdom...... Pound S |Colon (d) |Colon (d) |C.F.A.Franc (4) El Salvado 9,80 44,578 1,988 MONEY RATES Eq't Ouines... Local Authority Deposits Birr(O) Dan, Krone Pound\* Dollar Markka 104.88 2051.05 7.50 4.50 19.33 13.40 10.8904 1.00 - Vatu - Lira - Bolivar (g) - Bolivar (g) - Bolivar (d) - Bolivar (d) aeron is d... FT LONDON NEW YORK (Lunchtime) 8 4 - 8 12 8 5 - 6 7 8 6 3 4 - 9 9 15 - 9 4 144-144 146-144 146-14 185-164 134-187 15-186 9.7-8.6 8.95-9.05 2.0-9.1 9.55-9.55 9.7-6.9 10-10.2 97-13-10-10-1 10-10-1 10-1-10-4 INTERBANK FIXING FA. Franc (11.00 a.m. February 21) Franc G.F.P. Franc C.F.A. Franc the U.S. dollars 104-104 Dalasi Optmark (O) Mark Cedi (8) Pound Brachma Dan, Krona offer 9 5/8 0.3458 5000 Fixed Rate Export Financs IV: Average Rate of Interest period January 9 to February 1985 (inclusive): 11,840 per cant. Local authoritius and Seance houses seven days' notice, others seven days' fixed. Finance Houses Base Rates (published by the Finance Houses Association)): 107-per cant from February 1 1985. London and Scottish Clearing Bank Rates for leading 14 per cant. Lopdon Deposh Rates for sums et sven days' notice 11-112-per cont. Treadery Billis: Average render mites of discount 13,1320 per cant. Certificates of Tax Deposit (Selles S): Deposits £190,000 and over held under one month 132-per cent: one-three months 132-per cent womths 124-per cent; shains months 124-per cent; inchile months 12 per cent. Under £100,000 112-per cent from February 13. Osposits held under Berles 5 12 per cent. The mite for all deposits withdrawn for cent 8 per cent. Six months U.S. dollars. 15,7978 1.00 1.0304 Laire Rop. offer 97d bld 93:4 n.s. Not available. (m) Market mic \* U.S. dollars per National Currency unit. (e) Freemarket central bank. (c) Official rate. (b) Freemarket interbank. (c) Commercial rate. (d) Freemarket. (e) Controlled. (i) Financial rate. (e) Pmierential rate. (h) Non-essential imports. (i) Floating tourier rate. (i) Yonozuola: For debts incurred grior to February 1963. (2) Saudi Arabia: December 27, Riyal devalued to 3.55. (3) Poland: January 2. Zlory officially devalued by 10.87 per cont. (4) Equatoriol Guinea: Occamber 31, Currency John Franc zons. (5) Jemanica: Novembor 5, Rate adjustment fixed by Central Bank bi-weakly auction. (6) Somalis: January 8, Official devaluation of 29 per cent. (7) Solvier February 9, Official devaluation of approximately 81 per cent. (8) Ohans: January 11, Official devaluation of agoroximately 48 per cent. (9) Somalis: January 8, Official devaluation of agoroximately 48 per cent. (10) Sudan: February 11, Official devaluation of agoroximately 48 per cent. For further information places contact your local branch of the Senk The Ridg miss am the arithmatic musine, rounded to the desirate one-sixteenth, of the bid and offered miss for \$10m quoted by the market in five relorance banks at 11 am sech working day. The banks are Notioned Westminster Bank, Bank of Tokyo, Dactacho Bank, Banque Nationale de Peris and Morgan Ousmoty Trust. 36% 100% 99% 100% 101% 96% 99%

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	1	Feb 21	Feb 20	Feb 19	Feb 18	Feb 15	14		High	la		High	Low
Indusir	rate 1	.278.04	1.253.13	1.289 59	closed	1.282	02 1,287		1297.0			1297.92  13/2/89	
Tracks	ont	827 17	833 75	632.20	tiesed	629.	21 630		634.52 13/2/8			634.52 113/2/85	12.32
Utilicie	=	149.68	150.38	158.36	clased	150	85 150		151.16 13/2/8			151.18 (13/2/85)	10.5 (28/4/47
Trading	wor		118#	20m		186	136		-	-		-	-
					Feb 15	$\Box$	Felt 8	I	Feb		_	est Ago (	
lad Dêr	Yield <sup>o</sup>	<b>*</b>			4,71		4.54	丄	4.72	1	_	4.71	<u> </u>
TANDIA	SES AL	III POOR	S										
		Felt	Emb	Feb	Feb	Feets	Fels		1984	-85	Ĺ	Since Co.	npdytion
	_	21	Feb 20	19	18	15	14	H	igh	Low		High	Lew
industr	nets.	281.13	202.16	282.24	closed	262.56	297.63		3.54 7/854	187.74 (24/7)		293.80 (13/2/85)	3.52 130/8/32
Contpo	site	188.18	181.18	101.33	closed	181.60	182,41		2.78 2/85	147.82  24/7		182.18 (13/2-85)	4,49  11:18/32
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			<u></u>	1	Feb 13	<del></del>	Feb 8	<u></u>	Jan 3	0	- J	er Ago (A	(abcox)
				F	Feb: 13	1	3.92	Ŧ	3.81		Y	4.03	1
nd. P/E	Rato	····· ·				1			_		Y		1
lad. P/E Long Go	Ratro v Bond	····· ·			3.76 11.49	1	3.92 11.31		3.81 11.20 11.64			4.03 12.77 11.73	1
lad. P/E Long Gov N.Y.S.E Feb	Ratro V Bond ALL C	Yield	Feb	15	3.76 11.49 11.28		3.92 11.31		3.81 11.20 11.64			4.03 12.77 11.73	1
lad. P/E Long Go N.Y.S.E	Ratro Bend ALL C	Yield Seam On Feb 19	Feb 18		3.76 11.49 11.28 984-85 Lon 1 85 1	13 8771 F	3.92 11.37 11.27		3.81 11.20 11.64 RISE	S AND	FAL	4.03 12.77 11.73	l l l
lad. P/E Long Gon N.Y.S.E Fab 21	ALL C	Yield Seam On Feb 19	Feb 18	15 High 100 98 113/2/8	3.76 11.49 11.28 984-85 Lon 1 85 1	71 R	3.92 11.31 11.27 11.27	1.	3.81 11.20 11.64 RISE	Feb 20 1.998 812 759	FAL	4.03 12.77 11.73 15 Feb 19 2.018 950 911	Fet: 15 1.989 979
ind. P/E Long Gov N.Y.S.E Feb 21 784.51 Com EQ 1 Com EQ 1 Com EQ 1 Com EQ 1 Com EQ 1	Rates Bend ALL C	Foh 18	Feb 18 2 closed 547.206 885.700 889.580	18 High 100 Bit 113/2/8 Net 3 Ribp. 3	3.76 11.49 11.28 11.28 1.851 1.851 1.24 1.851 1.24 1.851 1.24 1.851 1.24 1.851 1.24 1.851 1.24 1.851 1.24 1.851 1.24 1.851 1.24 1.24 1.24 1.24 1.24 1.24 1.24 1.2	k Actings for Four Source Par	3.92 11.37 11.27 1	<b>4</b> 5	3.81 11.20 11.00 RISE	Feb 20 1.998 81.759 427 Stacks Traded 900, 940 1058, 848 835, 848 835, 848	FAL NIE	4.03 12.77 11.73 15 Feb 18 2.018 850 911 451 451 1674 3574 37	Feb 15 1.988 6839 421 Change on Day - 144 - 145
ind. P/E Long Gov N.Y.S.E Feb 21 784.51 Com EQ 1 Com EQ 1 Com EQ 1 Com EQ 1 Com EQ 1	Ratio Bond ALL C	Foh 18 1 185.1:	Feb 18 2 closed Stocks Traded, 947, 200 .087, 580	19 High 100 M 113/2/8 Net 3 High 27/4 47/4 47/4 47/4 47/4 47/4 47/4 47/4	3.76 11.49 11.28 11.28 1.851 1.851 1.24 1.851 1.24 1.851 1.24 1.851 1.24 1.851 1.24 1.851 1.24 1.851 1.24 1.851 1.24 1.851 1.24 1.24 1.24 1.24 1.24 1.24 1.24 1.2	k Actings for Four Source Par	3.92 11.31 11.27 11.27  ssots training	<b>4</b> 5	3.81 11.20 11.00 RISE	Feb 20 1.998 812 759 427 Stacks Fisded 600, 14 858,86	FAL NIE	4.03 12.77 11.77 15 Feb 19 2.018 850 911 451 451 3.80p.m. Price 44 1674c 3574	Feb 15 1.989 989 421 Change on Day - % - % - % - %
ad. P/E Long Gov N.Y.S.E Feb 21 184.51 Con EO 1 Stauffer Uncal Cl ATT	Ratio Benda ALL C	Foh 18 1 185.1:	Feb 18 2 closed 547,206 885,700 885,700 108,800	19 High 100 M 113/2/8 Ne 3 80p.1 27/4 27/4 217/4	3.76 11.49 11.28 984-85 Lon 1 851 51 (24)	k Actives and the South Section Sectio	3.92 11.31 11.27 11.27 11.27  Store training tra	<b>4</b> 5	3.81 11.20 11.00 RISE	Feb 20 1.998 812 759 4.27 Stacks Traded 100, 14 158,81 23,81	FAL NIE	4.03 12.77 11.77 11.77 12.01 18 950 951 451 451 451 451 451 451 451 451 451 451	Feb 15 1.988 6839 421 Change on Day - 144 - 145
ind. P/E Long Gon N.Y.S.E Feb 21 184.51 Con EQ 1 Stauffer Pail Pab Uncal Cl ATT	Ratio Benda ALL C	Foh 18 1 185.1:	Feb 18 2 closed 547,206 885,700 885,700 108,800	19 High 100 M 113/2/8 Net 3 High 27/4 47/4 47/4 47/4 47/4 47/4 47/4 47/4	3.76 11.49 11.28 11.28 1.851 1.851 1.24 1.851 1.24 1.851 1.24 1.851 1.24 1.851 1.24 1.851 1.24 1.851 1.24 1.851 1.24 1.851 1.24 1.24 1.24 1.24 1.24 1.24 1.24 1.2	k Actings for Four Source Par	3.92 11.37 11.27 1	<b>4</b> 5	3.81 11.20 11.00 RISE	Feb 20 1. 598 8112 7559 427 427 427 427 427 427 427 427 427 427	FAL III III III III III III III III III I	4.03 12.77 11.77 11.77 12.01 18 950 951 451 451 451 451 451 451 451 451 451 451	Feb 15 1.988 979 979 421 Change on Day - 1/4 - 1
Long Gornell M.Y.S.E Feb 21 784-51 Com EQ 1 Stauffer Phil Publication Com EQ 1 Advances Compared Compa	Ratro Pend ALL C Feb. 21 185.1 185.1	Foh 18 1 185.1:	Feb 18 2 classed 847-206 895-709 895-500 108-800	15 Hagb 113/2/8 Nec 3 HBg.1 Price 3 30% 47 47 21%	3.76 11.49 11.28 984-85 Lm 35 851 (24: 10 10 10 10 10 10 10 10 10 10 10 10 10 1	k Acthory for Following Physics Service Servic	3.92 11.31 11.27 11.27 11.27  Stock training tra	<b>ks</b>	3.8:11.21 11.6* RISE	5 AMD 20 5 A	FAL.	4.03 12.77 11.77 11.77 12.0118 2.0118 850 911 451 451 1674 37 32 44	Fet: 15 1.989 979 421 Change on Bay - 14 - 14 - 14 - 14 - 14

AUSTRALIA AUI ord., 11, 1180;  Retails & Minis. (1/180) 488,1 488,	74.58 203.8 100.1	201.5 105,1	496, 5 64,88 8162,78 175,29 200,8 198,8	567,4 18/1/4 56,46 (21/2/6 225,2/20/1/6 225,2/20/1/6	24 - 85 Low  Ev 540 I (18/6)  40:285,8 (7/1/65)  51: 53,20 (15/6)  54: 158,44 (5/1/65)  55: 165.8 (6/1/65)
USTRALIA	201.04 201.04 201.04 201.04 201.04	755.4 465.8 65.30 8178.55-1 175.81 201.5 108.1	750,5 490,1 64,99 8152,78 175,29 200,8 194,8	High 788.825,211 587.4 18114 58.46 (21)2.6 225.2120/1/6	Low 5) 545.2 (18/6) 4):285.3 (7/1/65) 5): 52.20 (15/6) 64) 158.44 (8/1/65
All ord, 11 11801   785,8   1861als & Minis. (1/180)   488,1	475.8 j 86.36 l 201.04 74.88 203.8 l	455,8 55,30 6178,554 175,81 261,5 109,1	496, 5 64,88 8162,78 175,29 200,8 198,8	567,4 18/1/4 56,46 (21/2/6 225,2/20/1/6 225,2/20/1/6	(4):285,8 (7/1/95) (5): \$3,20 (15:5) (4):150,44 (5:1/65)
### Proof	74.58 201.6 100.7	8178,554 175,81 201,5 109,1	175,29 175,29 200,0 194.0	225.2120/1/2	14) 158.44 (8/1/85 15) 165.8 (8/1/85
### ### ##############################	74.58 203.8 100.1	175,81 201,8 108,1	175,29 200,8 194.8	205.0(21/24	5 165 8 (3/1)44
### RANCE   172,45	203.8	267.5 108,1	200,8 194.8	205.0(21/24	5 165 8 (3/1)44
AG General (8 / 12/82) and Tendance (28/12/84) 111.2 1	405.78	109,1	184.8	205.5(21/2) 117.2:01/2:1	15 / 165 .8 (3/1,64 15/ 100.0 (28/12/5)
AZ Aktien 181/12/68 495,54 495,54 175.8 1 175.	405,78 189,5	485.15 181,6	482.78		
Iang Seng Banki81/184  Igi  TALY Ianca Comm Ital, (1872) Iu)   3 APAN** IRKEI-Oow (18/5-45)   12125-5 1 Okyo SE New (4/188)   351,80   6 IETHERLANDS NP-GBS General (1875)   158,7 IRKEI-Oow (18/5-45)   205,5   6 IETHERLANDS NP-GBS Indust (1870)   168,7 IRKEI-Oow (18/5-18)   205,5   6 IETHERLANDS NP-GBS Indust (1870)   168,7 IRKEI-OOW (18/70)   168,7 IRKEI-OOW (18/70)   625,81   6 IRKEI-OOW (18/70)   6 IRKEI-OOW (18/			(U)	408.78:20:2/8 -1189.5:20:2/8	5) 517.17 (25/7) (6) 817.7 (25/1)
APAN** IRKEI-Oow (18/5-45) 12128.5 12 128.5 12 128.5 12 128.5 12 128.5 12 128.5 12 128.5 12 128.5 12 128.5 12 128.5 12 128.5 12 128.5 12 128.5 12 128.5 12 128.5 12 128.5 12 128.5 12 128.5 128.	lc,	1485,17	1427,16	H 55.17(18.2/1	(5) <sup>1</sup> 745,02 113/7
(Ikkel-Oow (185-45)   12123.5   12	288.71;	298.58	281,22	288,71/20,2/2	15: 132,98 <i>12;</i> 1/84
NP-085 Ceneral (1875)   205.5   205.5   205.5   205.5   205.7   205.	2152,4 1 841,05		12149.1 349,81	12 59,8:18:2/ 961,86:21,2/1	95: 8703,35 (25/7) 95: 730,46 (4/1/84)
Delo SE (4:1/83) 825.81 8 SINGAPORE Stratus Times (1588) (CI SOUTH AFRICA Solid (1581 (U) Industrial (1581 (U)	204.4 162.8	207,1 150,0	201,8 158,4	- 205.6:21/2/6 - 183,7(21,2/6	6 · 145.2 (25/7) 5 · 118.7 18/8
COUTH AFRICA GOI 1856 (UI COUTH AFRICA GOI 1856 (UI COUTH AFRICA GOI 1856 (UI COUTH AFRICA GOI COUTH AFRICA	825.B4	825.54	822.51	345,8 18/2/1	552 221,87 (4:1/84
ndustrial (1868) - 10/	leı	lol	878.90	1071,948/2/1	94),754,4 (18:1°85
	825.0 861.8	918.5 866,0	911.8 870.8	1098.8 (15) 1105.5 (26)	(1) 788.1 (24/1/84 (8): 855.6 (18:5)
SPAIN Madrid SE (28/12/84) 114.47 11	15, 18	116.20	119.25	117,41 (4/2)	95, 190,00 28 12/84
WEDEN : 1462,60 1462,60 14	445.7	1441,70	1487,06	1594.5 (8:2/1	1502.99 (22/11
WITZERLANO iwise BankCpn.(5)(12)551 418.6	418.2	418.4	415.9	   419,5(21/2)	6) #4.5 (75/7)
WORLO Jagital Intl. (1:1:70) —	198,2	196.5	196.8	197.3 (15/2/1	188.2 (14,12)

7世纪中兴年7月15日,16年2日,16年3日,16年3日,16年3日,16年3日,16年3日,16年3日,16年3日,16年3日,16年3日,16年3日,16年3日,16年3日,16年3日,16年3日 16年3日 RIGO O STATE OF STATE 男假假好!! 你只有你有对自己不好。我们是有自己有什么说,我们我们你说你不懂我不懂!! 5 计分离处理自己对表的说:"你是我们我们的!! 我们不是我们的,我们就是有我们的,我们就是我们的,我们就是这个人的,我们就是这个人的,我们就是这个人的,我们就是我们的,我们就是我们的,我们就是我们的,我们就是我们的,我们就是我们的,我们就是我们的,我们就是我们的,我们就是我们的,我们就是我们的,我们就是我们的,我们就是我们的,我们就是我们的,我们就是我们的,我们就是我们的,我们就是我们的,我们就是我们的 255年经验保证处理的成功4254公司中间1547年的156日的1554 HEWITH THE THE THE SHELL SHEET +++++++++++ · 本本はなる本本の よれはある

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is now expected to move into syndication next week.

Misul and Bank of Tokyo are still the only Japanese banks in the deal after others turned it down because of lack of familiarity with the borrower and because of the 5 percent reserve requirement imposed by the Japanese authorities on lending to Turkey.

The closing phase of the underwriting stage of the deal was also marked by confusion after one bank, Chase Manhattan – which the

#/a 17.58 12.10 12.10 10.77 9.66 11.48 11.98 12.08 10.83 11.14 13.66 14.10 14.46 12.17

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UACo 535 20 20 20 40 20 11 3 20 44 6 20 4 2 13 3 2 17 3 20 15 10 8 6 5 5 利日12世紀18時期12万年115日第75日日本初日185万元報也到於江南日本西北京的第四天 .00a 10a 120 120 120 20 1 44 20 20 40 28 185 58 7 20 7 86 16 60 54 166 80 +10 +10 +10 +10 +10 11 11 11 18 1.20 .094 .40 .60 .80 .20 .20 125 1 48

### CAPITAL MARKETS

### Bond prices follow overnight slide in New York market

THE EURODOLLAR bond market

Bank of America increased its

Only one Eurodollar deal ap Securities, has a five-year life and

15 per cent, equal to the total fees.
Otherwise trading was quie the Swiss frame secondary man

level than for issues earlier this The strong dollar and the weaker year, but even so dealers thought New York bond market affected the terms were tight, given the de-

### Syndication for Turkish \$500m loan complete

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT,

romarkets after a second Japanese participating bank, Mitsui, committed \$20m and did so, 100° Dresdner Bank raised its under to a rate

during which the terms to be improved - the deal

in the Euromarkets, many potential lead managers imposed conditions

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	. 1-1			
. W	/EEKLY	U.S. BOND YIEL	DS (%)	
		Feb 20 Feb	13 18gh	Lew
AA-		12.16 12.0	14.23	11.93
٠٠.	·	11.45 11.4 11.41 11.4	13.00 11 12.79	11.18